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*The
trade mark
of an expert*



Over the years, the pharmacist accumulates a vast knowledge of the customers and doctors he serves so that his skill becomes a keystone for the health and growth of his community.

Excess has, for years, served in the growth of reinsurance and, through experience, arranged contracts which adequately provide necessary protection.

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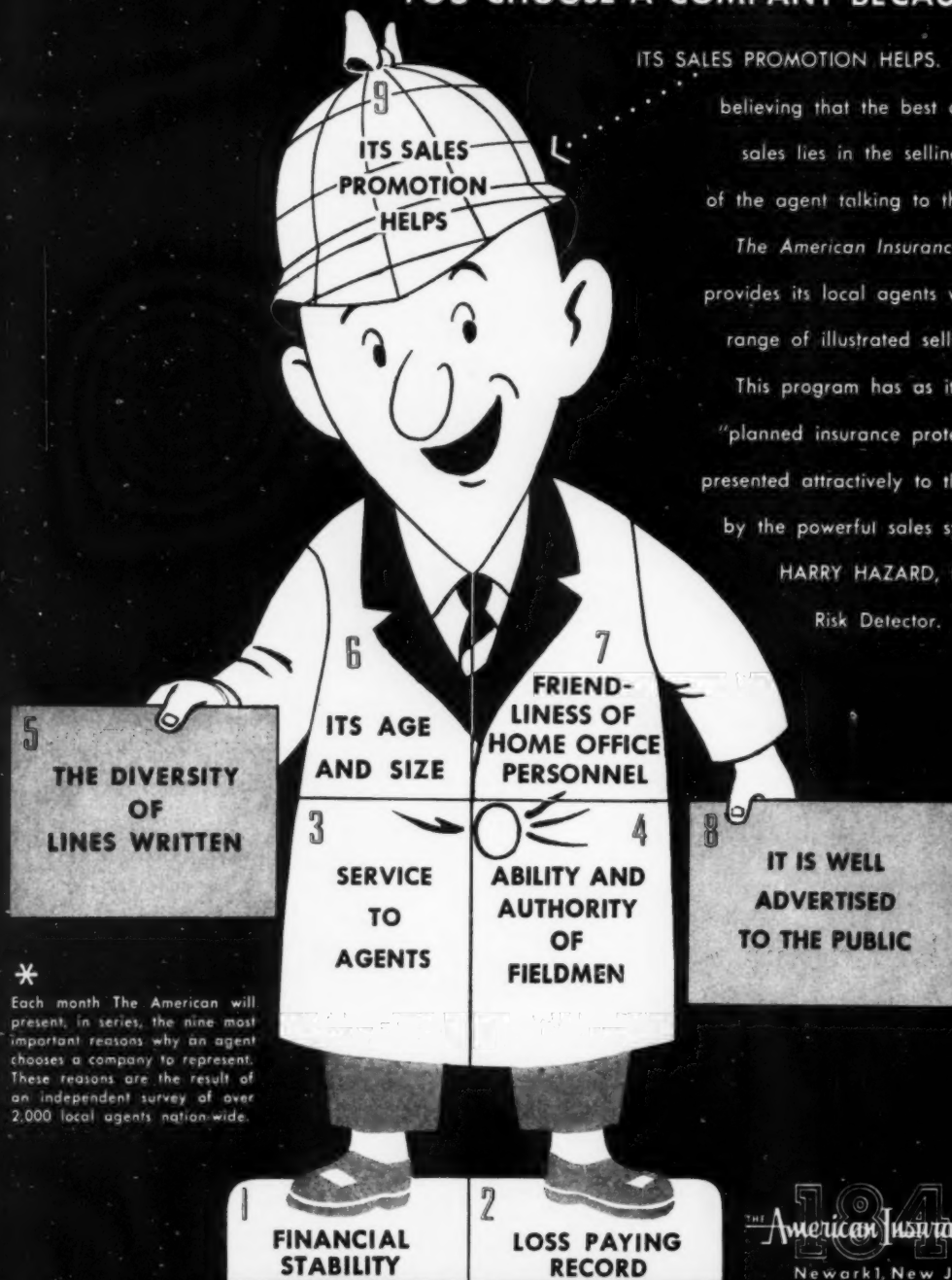
CASUALTY, FIRE, FIDELITY AND SURETY REINSURANCE

THURSDAY, OCTOBER 16, 1952

you agents say...



YOU CHOOSE A COMPANY BECAUSE OF*



*
Each month The American will present, in series, the nine most important reasons why an agent chooses a company to represent. These reasons are the result of an independent survey of over 2,000 local agents nationwide.

ITS SALES PROMOTION HELPS. Firmly believing that the best avenue for sales lies in the selling efforts of the agent talking to the prospect, The American Insurance Group provides its local agents with a wide range of illustrated selling tools. This program has as its theme "planned insurance protection" ... presented attractively to the prospect by the powerful sales symbol of HARRY HAZARD, the Risk Detector.

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THE AMERICAN INSURANCE COMPANY • BANKERS INDEMNITY INSURANCE COMPANY • THE JERSEY FIRE UNDERWRITERS

K. B. Hatch Elected New President of Fire Association

**Has Been with Company
Since 1930 and Long Ac-
tive in Organization Work**

Directors of Fire Association have elected Kenneth B. Hatch president to succeed the late Frank H. Thomas.

Mr. Hatch was born at Chicago, and has spent his entire business career in the insurance field. After training at the head office of Niagara Fire, he was appointed to field duties in the middle west—and later served in eastern territories.

Mr. Hatch joined Fire Association in 1930. He became manager of the special risks department, and was elected assistant secretary in 1934. He was advanced to secretary in 1936 and vice-president in 1938. Since 1942 he has been a director of Fire Association and Reliance. He became the senior underwriting official of the companies in 1944 and in 1952 was named executive vice-president.

Organization Leader

For many years Mr. Hatch has taken a prominent part in insurance activities, serving as a director of General Adjustment Bureau, Western Adjustment, Underwriters Salvage Co. of New York, Fire Insurance Patrol of Philadelphia, and trustee of Underwriters Laboratories. In addition, he is a member of the committee on laws of National Board, the governing committee of Western Underwriters Assn. and has served on numerous committees of Eastern Underwriters Assn., including its governing committee. He has been active in rate-making organizations and is currently chairman of the board of governors of Middle Department Assn. of Fire Underwriters. He also serves as a trustee for the Southern Home for Children, and on the board of the Solebury School.

Linn Kidd Looms as Ind. Commissioner Possibility

The possibility is being discussed that Linn S. Kidd, prominent local insurance agent of Brazil, may be appointed insurance commissioner if his fellow townsman, Craig, is elected governor of Indiana. Craig is the Republican nominee. Mr. Kidd is very active in his campaign. His father, John C. Kidd, was insurance commissioner back in 1931 and 1932.

Wind Losses in East

The squall that struck the eastern seaboard Oct. 2, from Connecticut to Pennsylvania, resulted in approximately 1,200 losses, for a total of around \$100,000. Quite a few losses were reported from Philadelphia, Atlantic City, Newark, and the environs of New York City, but Trenton was hit rather hard.

National Board Gets Out Explanation Of Fla. Paint Exclusion, Deductible

National Board's committee on adjustments, after consultation with Southeastern Underwriters Assn., has issued an "explanatory review" of the clause excluding windstorm and hail damage to exterior paint and waterproofing and the 2% hail deductible clause, which apply in certain areas in Florida. This is a guide and does not bind companies in interpreting their contracts, it is made clear.

Part of the guide deals with problems of apportionment where new and old policies are both involved in the loss.

There was some question as to whether National Board recognition of the exterior paint damage exclusion in one area might not tend to make it more difficult to deny liability for claims under extended coverage for exterior paint damage in other areas, where there is no such specific exclusion. Insurers look askance at such E. C. claims since many of them fall in the category of maintenance. They generally denied liability, for example, when in one or two areas of the northeast some peeling of exterior paint showed up several months after the November, 1950 windstorm, when the weather warmed up.

Unanimous Approval

However, the Board's adjustment committee unanimously approved the review of the Florida clauses and the executive committee concurred.

The review is presented in question and answer form. Summarized, it indicates that if the wall of a building is blown down, the company will pay for replacement plus inside paint damage but not exterior. The exclusion of exterior paint applies on small losses such as windows. The companies' option to replace is limited to what is insured, consequently they are not required to replace exterior, uninsured paint.

Fire and E. C. constitute an indivisible contract, but the paint exclusion clause allows the value of paint to be excluded in establishing a value for co-insurance. Can there be two insurable values in the same policy? Prior to the paint exclusion clause, the policy provided for two insurable values under fire and E. C. though the policy is indivisible. Thus there is no conflict where the value of the building excludes paint. The lesser value is used in case of windstorm loss, the larger value for the other perils in E. C. Exclusion of the exterior paint value is likely to benefit insured in complying with coinsurance requirements.

One Policy to Bear Loss

Where two policies cover the same risk, one with the paint exclusion and the other without it, it is recommended the entire paint loss be borne by the policy that does not have the clause, rather than prorating over the two policies. Here the value of the building includes paint for coinsurance.

The paint clause applies on contents policies where improvements and betterments are included in the coverage and the loss involves exterior paint.

One \$100 deductible applies where furniture and fixtures and stock are written blanket and there is one insured and one location. If furniture-fixtures and stock are written in two items, one insured and one location, the recommendation is one \$100 deductible but prorated over the two items on a loss-to-loss basis. Where the policy covers dwelling, breezeway and garage attached, all under one roof, and the loss involves garage and dwelling, it is the loss committee's opinion that one \$100 deductible apply.

It opines similarly if a row of bath

houses or overnight cabins is insured, there being a common roof and the loss is to the building. Where awnings or other property excluded under windstorm which cannot be written blanket are specifically insured, one \$100 deductible applies to each item. Where there is a loss to dwelling contents and to personal property in the open on the premises and not excluded under the exclusion clause referring to outdoor equipment, one \$100 deductible applies.

The new 2% deductible clause applies in general as does the \$100 deductible, as respects blanket cover on stock and furniture and fixtures.

Under builders' risk only one premises deductible would apply if parts of the building were left unprotected in the open, not to the main risk and to each separate building and separately to contents of each building.

The review suggests definitions of outdoor equipment that is excluded under special provisions applying to wind and hail, as, birdbath, outdoor swimming pool, heavy cast iron or concrete tables and ornamental objects. Also, a TV tower erected on the premises and not affixed to the dwelling. However, a TV antenna affixed to the dwelling is not excluded. A weather vane affixed to the dwelling would be covered.

General Definition

In general, outdoor equipment excluded under windstorm are those things either useful or ornamental that ordinarily remain outdoors. Outdoor wiring would be excluded, but not a well pump, underground septic tank or underground lawn sprinkler system. However, if there is loss to dwelling and detached pumphouse building, two \$100 deductibles would apply. Pump, tank and sprinkler system are covered against motor vehicle damage only where there is actual physical contact of a vehicle with the property covered.

Seawall, property line wall or similar wall, whether connected directly to the dwelling or not, are excluded. However a small patio wall connected with the dwelling and part of the dwelling would be covered; also, a decorative wall extending perhaps from dwelling and over the driveway.

A cabana is excluded, regardless of construction, though exception is noted of a \$25,000 building which contains in addition to shower facilities a large completely furnished room with built in bar equipment. A slat house, whether a minor part of another building or not, is excluded from wind cover.

With two or more policies, one having the 2% deductible and the other the \$100 deductible, the loss shall be prorated, with insured standing his pro rata share of the clauses. Prorating is to apply also if there is a straight windstorm policy with \$100 deductible and a fire—E. C. policy with 2% deductible.

Gordon Shoaf New Arizona Deputy Commissioner

Gordon Shoaf has been appointed rate supervisor and deputy insurance commissioner of Arizona. He takes the place left vacant by the resignation of H. L. Nason, who has become executive secretary of Arizona Assn. of Insurance Agents.

Mr. Shoaf graduated at Occidental College at Los Angeles, and for 12 years was with Pacific Board. In 1938 he went with Alexander & Alexander of Los Angeles. Mr. Shoaf's appointment was favored by Arizona Assn. of Insurance Agents and by the leading independent agents, both stock and mutual.

Mutual 200th Anniversary Rally Draws 2,000

**Great Congregation at
Philadelphia Gives
Accent to Notable Program**

PHILADELPHIA—A congregation of better than 2,000 under the banners of every mutual insurance organization in the land here this week gave impressive accent to the observance of the bicentennial of mutual insurance and gave those attending a spirit of participation in the anniversary program.

Activities ran from Sunday through Thursday and an amazing number and variety of events comprised the week. It was actually the telescoping of what commonly are at least four good sized conventions, they being under one bracket National Assn. of Mutual Insurance Companies, Federation of Mutual Fire Insurance Companies and Mutual Insurance Advertising-Sales Conference, under a second heading National Assn. of Mutual Insurance Agents, thirdly American Mutual Alliance-National Assn. of Automotive Mutual Insurance Companies, and National Assn. of Mutual Casualty Companies, and finally Conference of Mutual Casualty Companies.

Reinsurance Men Abound

Incidentally it was perhaps the largest congregation of reinsurance men ever, including company men and brokers with a sprinkling of real, live Englishmen over here for Lloyds.

Central feature of the week was what was called Conference on the Future. These were sessions at Town Hall with a battery of speakers taking informed looks at the future, for the most part in relation to various aspects of insurance under the guidance of Dr. Lyman Bryson of Columbia. Dr. Bryson is giving a summation Thursday.

There were a number of outside speakers during the week including Dr. Norman Vincent Peale of Marble Collegiate Church, New York, at a luncheon Monday sponsored by the agents; Vivian Kellems, the Connecticut rebellion, at the opening N.A.M.I.C. session Monday; Dr. Erwin Canham, editor of Christian Science Monitor at what it was announced was the last of 21 breakfast gatherings given by Central Mutual at N.A.M.I.A. conventions; Roy E. Larsen, president of Time, Inc., who spoke Tuesday at the Ad-Sales luncheon and Charles E. Irwin, Michigan State College, at the State Association luncheon Wednesday.

Lehman Heads Conference

R. E. Lehman, St. Paul Mutual, was elected chairman of the city and town conference of National Assn. of Mutual Insurance Companies; Paul Van Wegen, Mercer County Mutual, Pennington, N. J., vice-chairman, and Ralph Bennett, Ventura County (Cal.) Mutual, director for three years.

American Mutual Alliance, the N.A. M.I.C. and Federation of Mutual Fire Insurance Companies will meet in 1953 in San Francisco.

The great change that has occurred in corporation control was outlined by

(CONTINUED ON PAGE 10)

H. C. Conick Urges Companies to Form Industry-Wide Body

Primary Need of Business Today, He Says At CPCU Conferment

NEW YORK—Formation of an insurance companies association to handle the common industry-wide problems of fire, casualty and marine insurance was urged by H. C. Conick, general attorney Royal-Liverpool group, in his talk at the C. P. C. U. conferment luncheon. Mr. Conick called the formation of any such "over-all forum" the "primary need of our business today in light of current national issues."

Dean Harry J. Loman of the American Institute for Property & Liability Underwriters presented the designation to 24 candidates at the luncheon sponsored by the New York and Connecticut chapters.

Mr. Conick said the purpose of an association such as he proposed would be to protect, promote and advance the common interest of all such classes. Its program would include defensive measures against unfavorable legislation, governmental action or any other cause; on the positive side, he said, its objectives would include "constructive action to advance the common interests of the business and to improve its public relations."

Scope of Association

Its field, he explained, could embrace such subjects as "legislation, taxation, and a host of others, which in some degree affect all companies in the business and which are beyond the capacity of any one company or any on segment to handle."

Mr. Conick said the formation of the association should be on the basis that it would handle subjects not handled by individual companies, boards and bureaus. Its keystone would be cooperation.

Calls Security Basic

Mr. Conick described security as the root of all current national issues. He suggested insurance has a prime interest in these events.

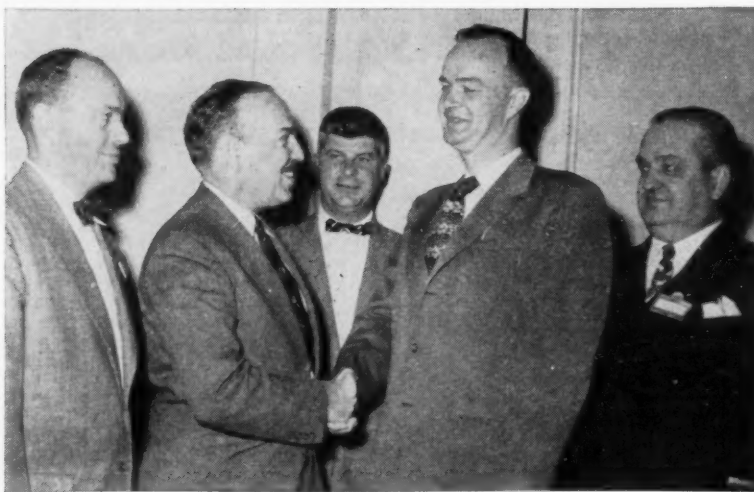
"We are in the business of selling insurance," he said. "We possess the means of solving the problems of security on a professional basis. We have the machinery, the experience and the know how to furnish the American people most of the types of security which they require and for which they are able to pay."

"As a consequence, we have today the greatest market that ever existed for our wares," Mr. Conick pointed out.

Muldoon Heads Afia Legion

A. G. Muldoon was elected president of "Afia Legion," the 25-year club of American Foreign Insurance Assn. at the annual meeting at New York. There are now 47 members of the legion, with 21 at the head office and 26 in the various branches throughout the world. The new vice-president is A. I. Terhune; secretary, E. J. Treen, and treasurer, C. M. Bowers.

Leaders of Connecticut Agents Assn.



New and retiring officers of Connecticut Assn. of Insurance Agents, from the left: retiring president; G. Burgess Fisher, West Hartford, vice-president; Edgar H. Clarke, Manchester, new president, and Valmore H. Forcier, Danielson, secretary-treasurer.

Agents Shouldn't Rely on Company Advertising: Hurd

Some sound advice that agents should not rely so much on company advertising material was given to Connecticut Assn. of Insurance Agents by E. Rhea Hurd, Jr., advertising manager of American-Associated, at the annual meeting at New Haven.

Mr. Hurd's address "What to do While Waiting for the Doctor or First Aid for Tired, Aching Advertising Budgets" was delivered with convincing showmanship to an extremely attentive audience of some 250 agents.

"It's perfectly ridiculous," Mr. Hurd said, "for independent business men like insurance agents, to rely on advertising prepared by an insurance company. Actually, you should be selling yourselves. It is far better to be a well-known agent in an unknown company than a poorly known agent in a well-known company."

Pointing out that the basic desire of business men generally is to make a profit from their operations, Mr. Hurd said all advertising should be directed toward that aim.

Where Real Competition Is

Contrary to what most agents think, Mr. Hurd said, competition does not center in the other agent or in direct writing carriers. The real competition for an insurance producer is the other things a consumer must buy before he can even begin to think in terms of insurance. He listed these things as food, clothing and shelter. After the consumer has purchased all these essentials, he said, there is very little left of the dollar and the consumer weighs carefully all other products available to him before he decides what to spend that little on. While he admitted that this was an oversimplification of the situation, he said it is a good basis upon which to consider an advertising program.

Mr. Hurd told the agents that they have no need for advertising unless it can do a selling job "easily, quickly and more cheaply than you can do it yourself."

"Hit and run advertising" as a method of getting a message to the public, was roundly condemned by Mr. Hurd. He told the agents that no message has ever been written which puts a person in immediate demand for insurance. Insurance advertising must be on a regular attack basis, he said, so that when an assured has a demand, the association with the advertising and

Committee-itis Is Deplored

(From a company president.)

Your editorial on the insurance business having a bad dose of "committee-itis" was certainly timely and worth the effort that went into it.

Ours is a complicated business at best, and when it comes to public relations if our good friends outside of the business knew how we got ourselves all tied up in organizational and committee activities, I am sure they would suggest the need of a psychiatrist. Everyone in the business has known for several years that we are facing changes in procedure arising out of multiple underwriting authority and yet we have been unwilling to change the traditional pattern which required the retention of the identity of the three branches of the business, with every suggestion for improvement referred to a committee and resulting in their conclusions being surrounded with a fear complex that something drastic was going to happen if any change in procedure was proposed.

As I see the picture, it all boils down to leadership and certainly we have had a dearth of it for some time.

the product will induce him to call the agent.

Mr. Hurd also advised the agents that in their advertising they should talk benefits, not qualities. He said it took the insurance company advertisers a long time to realize that it was wiser to advertise the operating statement of a company rather than the financial statement. Assets, he said, relate to static money, while reports of losses paid indicate the benefits enjoyed by policyholders.

"Any money you spend for advertising," Mr. Hurd said, "should be spent extremely selfishly. You must produce a profit with your advertising either from quick sales or from getting your name known through long term advertising, sometimes erroneously called 'institutional advertising.'" Mr. Hurd also pointed out that in newspaper advertising, editorial type ads are inadvisable since people habitually scan newspaper and do not read. Get good headlines into your copy, he said.

Outside of advertising, Mr. Hurd advised the agents to look to their letter writing for bringing their message to the public. Letters should be friendly, he said, and he cautioned the agents on suffering from "stiffening of the writing arm." Where you are explaining coverages, he said, you must show your assured or prospective assured how the policy you are offering covers the need he has.

Attendance Record Set at Nebraska Agents' Convention

John G. Elliott Named President to Succeed Ben Joyce at Lincoln Meeting

LINCOLN — The annual meeting here of Nebraska Assn. of Insurance Agents broke attendance records for the fourth consecutive year, with 373 registered.

John G. Elliott, Scottsbluff, was elected president. Robert M. Byrne, Omaha Insurance Agency, Omaha, was named 1st vice-president and reelected state national director; Charles D. Sayre, Stuart Investment Co., Lincoln, 2d vice-president, and Charles A. Kahroff, Jr., George Cowton agency, Grand Island, secretary-treasurer. Ben Joyce of Lincoln, outgoing president, automatically becomes chairman of the executive committee.

President Elliott reappointed the executive committee, including Kenneth F. Schenck, A. A. Westergard Co., Omaha director district 1; Clarence M. Nelsen, First Trust Co., Lincoln, district 2; J. Fred Parker, Nebraska City, district 3; Harold E. Hein, Wayne, district 4; Charles A. Kahroff, Jr., district 5; Arnold Cowles, Imperial, district 6, and K. Linn, Kimball, district 7.

The precarious automobile situation received considerable attention at the meeting. Hugh D. Combs, executive vice-president of U. S. F. & G, spoke at the Friday luncheon on "What Are We Doing About the Automobile Situation?"

Verdicts Constitute "Assessment"

Mr. Combs said the driving public must be educated to understand that when unreasonable verdicts are given as a result of emotional appeal, the excessive award is in effect an assessment to be paid by themselves and their neighbors in the form of increased rates for automobile insurance. He also urged education looking to a better understanding of traffic laws as well as the mechanical features of safe driving.

He said the agents could best help others by the power of example and suggested this "program of action" for them:

- "1. See that safety educational circulars sent to you are distributed to members of your community without charge."
- "2. Give talks on safety before local clubs whenever possible."
- "3. Be heady with personal advice and words of warning to insured on driving habits."
- "4. Work for a vigorous program of law enforcement in your community."

Press for Driver Courses

- "5. Press for adoption of safety driver courses in your high schools."
- "6. If your state has annual license renewal, work for adoption of educational leaflets to drivers at time of renewal, and"
- "7. See that your own driving habits are above reproach. You can help remedy this situation if you will use the same courtesy when you are back of the wheel that you use in every other daily pursuit."

A resolution was adopted requesting the governor of Nebraska to appoint a special "fact-finding" committee to study the automobile accident situation and recommend a specific plan of action. The convention also passed resolutions calling for the reactivation of a rural and small lines agents committee and placing the association in opposition to the negotiation of any commissions by

(CONTINUED ON PAGE 10)

Reinsurance

**Complete
Service in
FIRE
and Allied
Lines**

Employers Reinsurance Corporation

KANSAS CITY, MISSOURI

NEW YORK

CHICAGO

SAN FRANCISCO

LOS ANGELES

High Court Rejects Motors Appeal from Ohio Ruling

WASHINGTON—The U. S. Supreme Court has dismissed the appeal of Motors Ins. Corp. from a ruling of the Ohio supreme court which sustained the action of the Ohio department in revoking the licenses of 1,100 automobile dealers in that state as insurance agents. It upheld the contention of the Ohio authorities, who filed a motion to dismiss the appeal, that there was no substantial federal question presented by the appeal.

The General Motors subsidiary had challenged the constitutionality of the Ohio statute under which the commissioner acted. It provides that an insurance agent may not "principally" use his license to insure property of which he is the "owner" or "vendor."

Certiorari was denied in National Mutual vs. Liberty Mutual.

Ky. Attack on Multiple Location Rating Continued

Kentucky agents continued their attack on the use of multiple location rating at a hearing before Commissioner Southall at Louisville last week. Both the companies and agents were given 30 days in which to file briefs, and an additional 15 days will be allowed the companies to answer a pleading filed by J. J. Leary of Frankfort, attorney representing the agents.

Frank Sower, a mercantile owner of Frankfort, contended that the rates charged independent merchants for fire coverage were unfair, and he cited cases where chain stores operating in his own neighborhood, paying multiple location rates, were getting their coverage at a lower price on the same class of property with the same protection.

Mr. Leary cited a hypothetical case of two distilleries, each storing its own whisky. Each distiller would pay the higher individual rate, but he said if each transferred ownership of more than 10% of its stock to the other, putting part of each firm's stock in two locations, the distillers could get multiple location rate without physically transferring the liquor and by merely selling each other warehouse receipts showing change of ownership.

T. M. Galphin, Louisville attorney, representing Kentucky Inspection Bureau, explained that the rating law permits discrimination in the rates so long as it is not unfair discrimination, and argued that multiple location rates

represent fairly a demand by one class of insured. The companies are able to meet this demand without being unfair to other classes of insured, he said. Differences other than ownership are involved. If several stores are under one management, they are more apt to have a well developed fire protection and safety program.

James C. Creal sat in as attorney for the insurance department.

Minn. Federation Elects

MINNEAPOLIS—The impact of rising hospital and auto repair costs on the insurance companies was described by J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, in an address at the annual meeting here Monday. Insurance Club of Minneapolis joined with the federation in staging the meeting which had an overflow crowd of 260.

Henry Damman, Norwood, was re-elected president, and Ronald Hubbs, assistant to the president of St. Paul Fire & Marine was elected a vice president. Other vice presidents reelected are Paul Clement, Minnesota Commercial Men's; L. D. Engberg, local agent, St. Paul; John W. Fischbach, Minnesota Mutual Life; Henry Guthunz, president, Anchor Casualty; James E. Kidd, president Federated Mutual Implement & Hardware, and Tom von Kuster,

David C. Bell Investment Co., Minneapolis.

George W. Wells, Jr., president Northwestern National Life, was re-elected secretary-treasurer. L. C. McGee, Aetna Casualty, Minneapolis, heads the executive committee; Roy W. Nienhauser, R. M. Neely Co., St. Paul the finance committee, and Armand W. Harris, St. Paul Fire & Marine, the legislative committee.

Cheek Wants More Help

RALEIGH, N. C. — Commissioner Cheek has asked the advisory budget commission to recommend appropriations sufficient to allow him to employ two new insurance violation investigators and two new agent examiners. He said the new men are needed because of the increase in volume of business handled by his department.

He asked for an appropriation of \$319,961 for the fiscal year 1953-54 and \$326,245 for 1954-55. This year the appropriation for the department is \$249,483.

New Memphis Insurer

The real estate, insurance and mortgage loan firm at Memphis known as John B. Goodwin Co. has organized an insurance company that has been named Goodwin Southern Ins. Co.

Withdraw Pacific Board's Broad Dwelling Form

The Pacific Board's new dwelling form has been withdrawn from vote of members and will be the subject of further discussion at an inter-regional supervisory meeting. Such a meeting is scheduled at New York City for Nov. 6-7. The action was taken on recommendation of the governing committee.

Endorsed by Western Agents

The form has been endorsed by western agents, with Robert E. Battles, president of California Assn. of Insurance Agents, stating his organization wanted it introduced as quickly as possible.

The form was sent out for study about a month ago, with a vote deadline of Oct. 8. The 10 to 20% extension of coverage under the form elicited some company opposition on the ground that this is too much.

Field Meetings Precede Kansas Agents' Convention

TOPEKA—Preceding the annual meeting of Kansas Assn. of Insurance Agents, which opened with a luncheon here Wednesday, were meetings of its executive committee Monday and Tuesday and three field men's meetings Tuesday. Kansas Fire Underwriters Assn. headed by H. J. Schoeppe, Commercial Union, Wichita, met in the morning, followed by a meeting of the Kansas public relations and educational committee with Chairman Gene Thomas, Kansas City Fire & Marine, Topeka, in charge. In the afternoon there was a meeting of Kansas Fire Prevention Assn. under the direction of President Dean Jaeger, Springfield F. & M., Wichita. Reports were given on the week speaking tour of Emmet Cox, Western Actuarial Bureau, to Dodge City, Pratt, Salina, Topeka, Lawrence and Kansas City, on town inspections and a proposed civil defense program. State Fire Marshal Clyde Latchem spoke on methods of submitting Fire Prevention Week reports.

Joseph F. Leopold, Dallas, was the luncheon speaker for the agents' opening luncheon on "Tax Equality." President Howard Fullington of Dulane, Johnston & Priest, Wichita, presided. Webb Woodward, Topeka, is general convention chairman.



Louis Capurro, right, the new president of Nevada Assn. of Insurance Agents, is congratulated upon his election by T. D. Brown of Brown Bros. Adjustment of Sacramento. Others in the picture are: F. M. Price, left, in charge of the Brown Bros. office at Reno, and Paul Hammell, Nevada commissioner.

FOR THAT HARD TO PLACE RISK KURT HITKE & COMPANY, INC.

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ATLANTA, GEORGIA
Phone Elgin 4481

Reisch Building
SPRINGFIELD, ILL.
Phone Springfield 8-4305

1671 Wilshire Boulevard
LOS ANGELES 17, CALIF.
Phone Dunkirk 8-3161

1926

our 26th year

1952

Violation of One Policy Provision Doesn't Void Cover for Other Losses

Louisiana supreme court, reversing an appeals court decision, has held that although an insured truck was used repeatedly in violation of the 50-mile radius territorial limitation, because the trip on which the accident occurred was an occasional one necessitated by the need for repairs, the loss was covered.

The insured had a tank truck that was damaged to the tune of \$780 while on a trip to New Orleans from Winnsboro, La., to have some repairs made. The accident occurred more than 50 miles from Winnsboro, and Tri-State Casualty, the insurer, contended that the territorial limitation rider relieved it of responsibility, since the insured had repeatedly violated the rider in the course of his business. The supreme court made the distinction that the claim did not arise out of an accident occurring during the regular operation, differing with the court of appeals, which found meritorious the argument of Tri-State Casualty that when regular and frequent trips are made outside of the limitation, then the insured forfeits his right to make occasional trips, and coverage would be suspended outside the 50-mile radius.

Such a forfeiture is nowhere especially stipulated, nor is it even implied, the supreme court said. The limitations merely forbid regular and frequent use outside the 50-mile radius, and if the accident had occurred during the course of business outside of the 50-mile radius, no recovery could be had.

The case is Baldwin vs. Tri-State Casualty, Louisiana supreme court, and is reported in 2 CCH (Automobile) 317.

Hits Pressuring Agents to Switch Profitable Lines

Use of pressure to force agents to switch profitable classes of business from fire companies to casualty companies in order that they may be able to place unwanted automobile risks comes in for criticism in a bulletin issued by Mutual Fire Insurance Assn. of New England.

The bulletin states that such switching will not solve any problems, and actually may jeopardize the future of agents and brokers.

"Switching of business for the alleged purpose of subsidizing any line currently unprofitable is not the answer to inadequate rates," the bulletin states. It also notes that "there appears to be little doubt, in some instances, at least, that the situation is being used solely for the purpose of gaining competitive advantage."

N. C. Rate Filings Made

RALEIGH—Auto liability rate increases estimated to add \$3 million to premiums in North Carolina have been proposed by N. C. Auto Rate Administrative Office. Commissioner Cheek set a public hearing for Nov. 6 on this.

Mr. Cheek suggested the need for a wider differential for cars with youthful drivers. At present there is a 15% additional charge for these but statistics show it should be 68%, he said.

The rate office proposes a 13.3% increase in BI for private passenger cars and a 17.8% in PDL. For commercial vehicles, the increases proposed are 19.3% and 24.9% PDL.

Mr. Cheek said the rate office's board of governors has requested the commissioner, the department of motor vehicles and the department of public instruction to meet with representatives of the auto industry and insurance companies to develop a set of minimum standards for training drivers under 25. When these standards are developed, the rate office plans to make provision for reporting separately the loss ex-

perience on youthful drivers who complete the driver training course meeting these standards.

Fire Rate Reductions Announced in Tennessee

NASHVILLE—Insurance Commissioner Allen has announced fire rate reductions in Tennessee averaging as follows: Dwellings and contents, 15%; apartments and contents, 16.4%; boarding houses, fraternity houses and nurs-

es homes, 19.1%; personal dwellings, 14.8%; public buildings and churches of fireproof construction, 12.5%.

Reductions become effective Nov. 3. Elimination of exposure risks is said to effect an additional 3% reduction where such risks are involved in the rating.

Tirb Has Annual Rally

PHILADELPHIA—Transportation Insurance Rating Bureau of Chicago (Tirb) held its annual meeting here Monday during the big mutual conven-

tion week. C. E. Nail of Lumbermen's Mutual of Mansfield presided as chairman of the executive committee. General manager is W. H. Rodda. Elected to the executive committee are: American Manufacturers Mutual; Indiana Lumbermen's, Liberty Mutual Fire, Central Mutual, Federated of Owatonna, Grain Dealers, and Northwestern Mutual. The executive committee elects a chairman later.

Otto L. Richards and John Gohres have opened the Richards-Gohres agency at New Orleans.

CRIME COVERAGES FOR COMMERCIAL CLIENTS



You can make new profits from the great "middle market" for insurance. The opportunity for sound agency building that is often neglected by insurance producers is America's great "middle market": the small and medium-size commercial prospects of all kinds. Those are stores, jobbers, manufacturers, contractors, all types of service organizations, all types of professional and office organizations—literally millions of them. And probably the majority of them have never had complete insurance service offered to them by a well-informed insurance producer. Most have fire insurance, and most have auto and truck protection. But how many have had the other major types of protection offered to them: inland marine covers, where needed, general liability and crime protection?

Recently we offered our agents a plan for selling these profitable prospects general liability insurance, and it has been widely used. Now we have a complete plan for selling



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crime insurance. Included are two attractive three-color folders, suggested letters to go with these folders to prospects, a new and valuable "Proposal" form that makes the unprotected risk stand out like a sore thumb, and a new issue of our popular Agency Sales Bulletin. In the Bulletin are suggestions for making prospect lists, and how to promote and sell all the crime coverages in this highly profitable "middle market" for insurance.

If you would like to have a copy of the Bulletin, the two folders and the Proposal form, simply complete the coupon below and these will be mailed to you without cost or obligation. Sending for these may help you find a way to make your agency much more profitable, so why not send the coupon, today!

Security-Connecticut Companies
Department 17-D New Haven, Connecticut

Please mail me, free and without obligation, a copy of your new Agency Sales Bulletin, two folders and proposal form, all on Crime Coverages for Commercial Clients.

Name
(please print)

Agency

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City State.....
or Town.....

N. Y. Brokers Lose Again on Preferred Premium Liability

NEW YORK—Superintendent Bohlinger was upheld in the New York appellate court in a test case concerning efforts to have brokers remit premiums paid prior to the liquidation of Preferred Accident.

The appellate division upheld the state supreme court decision which stated that a broker, after deducting his commissions, may not withhold any part of premiums paid by assured prior to liquidation.

Mr. Bohlinger, liquidator of Preferred, was represented by Alfred C. Bennett, head of the liquidation bureau. The broker, Aaron Zanger, was supported by the Brokers Assn. Joint Council.

Mr. Zanger contended he was a fiduciary for the assured and the

liquidator could only collect that portion of the premium in the broker's hands representing earned premium.

New Handbooks Ready for Illinois and Michigan

New, up-to-date Underwriters Handbooks for Illinois and for Michigan have just been published by the National Underwriter Co. They provide complete and up-to-date information on agencies, companies, field men, general agents, solicitors, groups and other organization affiliated with insurance throughout each state.

Premiums and losses by lines, within the state, for all fire and casualty companies and life insurance paid for and in force for life companies, are also presented in special statistical sections. Copies of either may be obtained from the National Underwriter Co., 420 East Fourth street, Cincinnati 2, O., price \$12 each.

Non-Assessable Policy in Miss. Retains That Status

Non-assessable insurance policies remain non-assessable under all circumstances, according to an official opinion of J. P. Coleman, attorney general of Mississippi, who thus reverses an opinion rendered several years ago by the then Mississippi attorney general. The city attorney of Columbus, Miss., had raised the question, and Mr. Coleman said he has gone into the matter exhaustively and that under the 1942 code, mutuals are authorized to issue a policy for solely a cash premium provided the company has a surplus which is not less than the capital stock required of domestic stock companies transacting the same kind of insurance.

The law thus gives express authority for issuing a policy for a cash premium only, without provision of an additional contingent premium. Under section 5798 it is provided that a mutual company not possessed of assets at least equal to the unearned premium reserve and other liabilities "shall make an assessment upon its members liable to assessment, to provide for such deficiency, such assessment to be against each members in proportion to such liability as expressed in his policy." The assessment is only upon those members liable to assessment, and if a policy has been issued for a cash premium only, Mr. Coleman said under his contract the policyholder is not liable to assessment even though an assessment should become necessary.

"I am of the opinion that section 5795 expressly authorizes mutual insurance companies to issue policies for a cash premium only without any contingent liability, provided that the company has the required surplus," Mr. Coleman declared. "I am further of the opinion that when a policy is legally issued as a non-assessable policy, it remains non-assessable through the life thereof, and that section 5798 would authorize a company to make an assessment against the policyholder only when the policyholder was under the provisions of the contract, 'liable to assessment.'"

Two New Iowa Bulletins

The Iowa department has issued two new bulletins, one permitting fire and casualty companies to retain minimum premiums under cancellations with the standard short rate table. The short rate table change will require the companies to have the minimum premium approved by the department under the rating law.

The second regulation will require the written consent of the applicant on "home office corrections" or "home office endorsements." The department pointed out that "it is contrary to the interest of an applicant to permit the company to modify his application or policy unless the applicant consents to the change in writing."

Springfield F. & M. Tour

Some 660 top-ranking executives of other insurance companies and editors of insurance publications were treated to an inspection tour of the new home office building of Springfield Fire & Marine last Friday. President William A. Hebert acted as official host. Groups were guided through the new building by officers of the company. Following the tour, guests attended a cocktail party at the Colony Club.

Ark. Pair Captivates East

Millions of east coast televisionites this week for the first time saw the fire prevention clown act of Carl Smalley-Henry Ritgerod, Little Rock insurance men, that has endeared them to the school children of Arkansas. While at New York to make a color film of their act for National Board they made four TV appearances during fire prevention week.

On stage and in public Mr. Ritgerod played the part of the clown "Stupid

Carelessness," while Mr. Smalley was the "straight man."

The pair developed their clown act five years ago as part of the educational program of Arkansas State Fire Prevention Assn. Mr. Ritgerod is its public relations chairman and Mr. Smalley its executive secretary.

The film of "Stupid Carelessness" soon will be shown to school children.

Bizzell Goes to N. C. as Rating Bureau Manager

W. S. Bizzell, for a number of years manager of Louisiana Rating & Fire Prevention Bureau, has been appointed manager of North Carolina Fire Insurance Rating Bureau, succeeding Landon Hill, who will serve in an advisory capacity.

Mr. Bizzell's appointment is effective Jan. 1. He is a graduate of Texas A.&M. College, and served with Oklahoma Inspection Bureau before going to Louisiana.

Mr. Hill, who has been ill, has served the bureau and its predecessors since 1908.

M. & M. Expands in Canada

Marsh & McLennan has expanded its Canadian operations by the amalgamation with the local agency of Middleton & Tait at Calgary, which was founded in 1906. Other M. & M. Canadian offices are located at Vancouver, Toronto and Montreal.

Harry Winston, Inc., prominent gem dealers, staged the program at the meeting this week of Inland Marine Claims Assn. of New York.

Prize Fuller Photo



Mrs. Harry H. Fuller of Chicago, secretary of Insurance Federation of Illinois, with Commissioner John Lange of Wisconsin, at zone 4 N.A.I.C. meeting at Milwaukee. Photo by Harry H. Fuller, Midwest manager of National Bureau of Casualty Underwriters, and president of Insurance Federation of Illinois.

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Transamerica Backs New Special Line Auto Insurer

Automotive Ins. Co. of San Francisco has made applied to the California department of insurance for a permit to sell 1,000 shares of its \$100 par value stock to Transamerica Corp. at a price of \$200 per share. Following the completion of organization Transamerica will contribute \$500,000 in cash to surplus.

The company plans to write lines of automobile insurance for such risks as Premier Ins. Co. does not want to take. It plans to afford a market for risks that it is difficult for producers to place. The company plans to use its own schedule of rates, which it does not consider discriminatory, and which will be from 15% to 130% of rates promulgated by N.A.U.A., but will use N.A.U.A. classifications. Transamerica will bear all expenses of organization, and will contribute funds later.

Officers are: President, Dwight W. Evelyth; vice-president and chairman of the board, J. W. Andrews; treasurer and secretary, C. J. Neri. Both Evelyth and Neri are officers of the Premier Ins. Co., and Andrews is executive vice-president of Transamerica Corp.

O'Malley Niagara's Ind. State Agent; Woerner Retires

C. A. Woerner, Jr., Indiana state agent of Niagara Fire of the America Fore group, has been granted a leave of absence until Jan. 1, when he will retire under the company's retirement plan. Vicent O'Malley has been named state agent in the Indiana field. He has been in the Wisconsin territory for America Fore since being discharged from the army.

Argentine Aids Brokers

A new decree has been published in the Argentine regulating the status of insurance brokers. Dr. Enrique Gruber, president of American International Underwriters in the Argentine, said on a visit to New York.

According to the new regulation, direct business can no longer be accepted by insurance companies, but must be processed through brokers. In the same decree, premium discounts granted to the insured were abolished and fire tariffs were lowered 20%.

The purpose of the decree, Dr. Gruber said, is to unify the commissions granted to the brokers by the companies, thus creating a sound insurance market in the Argentine. Dr. Vuolo, chief of the insurance department of the Postal Savings Bank and a prominent insurance expert, has been appointed superintendent of insurance, and it is believed he will successfully cope with the problems which the world insurance market presents. Insurance in the Argentine is developing soundly, showing a substantial increase in premiums, Dr. Gruber added.

Texas Mutual Control Sold

Controlling interest in Texas Mutual Ins. Co. of Beaumont has been acquired by Leslie Lowry from his brother, Paul, and the company will be moved to Ennis, Texas. The Lowry brothers formed Texas Mutual in 1949 and Paul Lowry subsequently acquired the controlling interest.

The Leslie Lowry & Co. agency of Beaumont is not affected by the sale, but included in the transaction was Atlantic Finance Corp. of Beaumont, which will remain in that city. Both the agency and the finance company are located at 999 Pearl street, Beaumont.

Atlas Veterans Organize

The members of the staff of Atlas who have been in the employ of the group 25 years or more met at dinner meetings at New York, Chicago and San Francisco Tuesday, to organize and

hold the first meeting of what will be known hereafter as the Atlas-Albany Quarter Century Club. There are 56 that are eligible for membership and most of them attended the meetings.

Lay Plans for N.F.P.A. '53 Convention at Chicago

Percy Bugbee, general manager of National Fire Protection Assn., is having a luncheon meeting at Chicago next Wednesday with a group of about 30 Chicagoans on plans for the 1953 N.F.P.A. convention at Chicago the

week of May 11 at the Palmer House. Elmer Reske, manager of Cook County Inspection Bureau, is chairman of the Chicago convention committee.

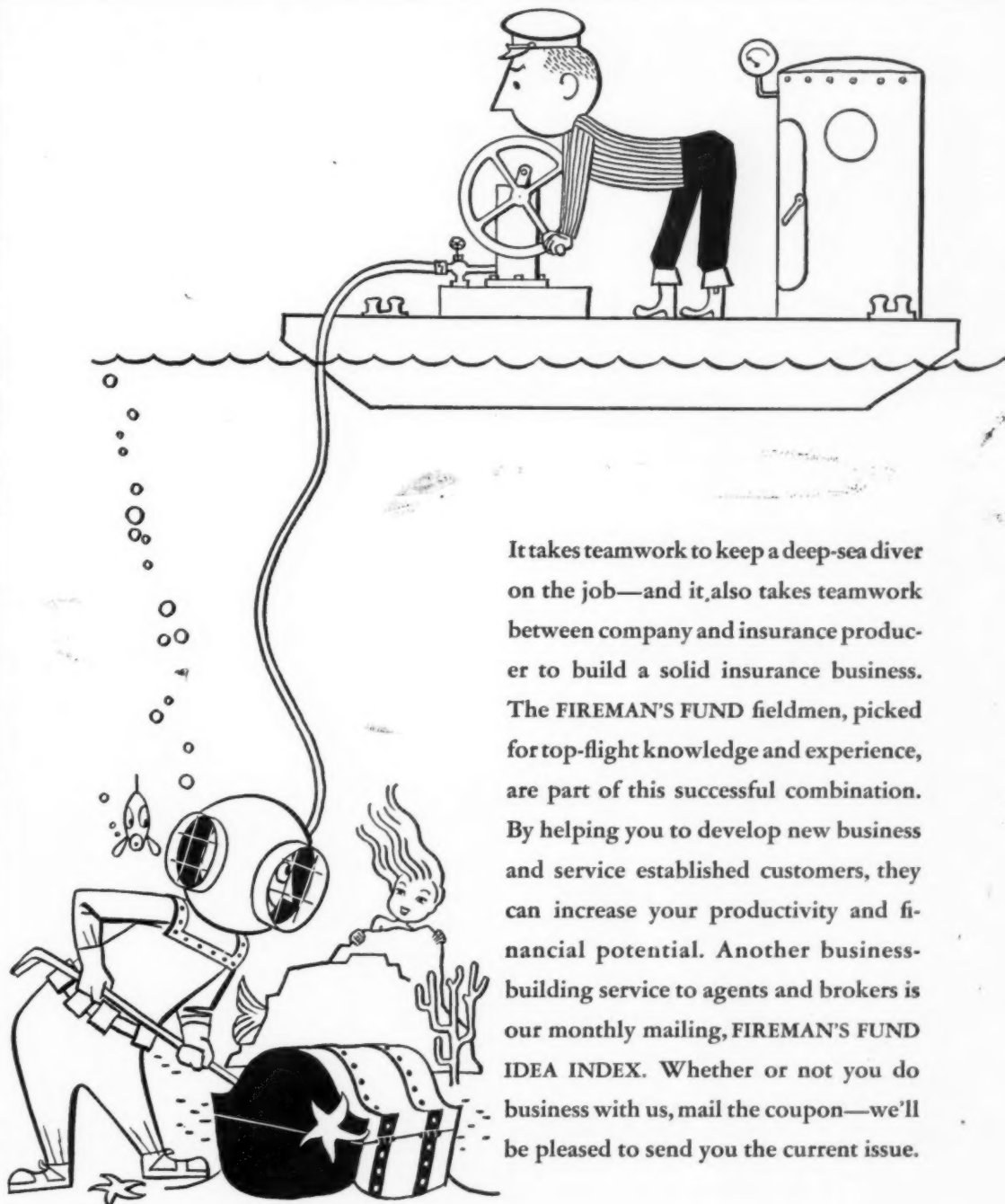
Mr. Bugbee was at Toronto the other day receiving in behalf of N.F.P.A. the award of merit of American Trade Executives Assn. for distinguished service.

Johnson with Leonhart

Homer T. Johnson, formerly with George F. Brown & Son, Chicago, has joined W. Harold Leonhart & Co., re-insurance intermediaries, Baltimore.

Decides to Quit at 91; In Business 56 Years

Henry Robinson, local agent at Campbellsville, Ky., who reached his 91st birthday in June, has finally decided that it was time to retire and has sold his agency to John Burkholder of Campbellsville, who will merge it with his agency there. Mr. Robinson started his agency 56 years ago.



It takes teamwork to keep a deep-sea diver on the job—and it also takes teamwork between company and insurance producer to build a solid insurance business. The FIREMAN'S FUND fieldmen, picked for top-flight knowledge and experience, are part of this successful combination. By helping you to develop new business and service established customers, they can increase your productivity and financial potential. Another business-building service to agents and brokers is our monthly mailing, FIREMAN'S FUND IDEA INDEX. Whether or not you do business with us, mail the coupon—we'll be pleased to send you the current issue.

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BELING ADVISES

Good Filing Saves Money, Aids Agent's Sales Plans

An agent can take two steps to get more dollars from his files, Oscar Beling, manager of the systems department of Royal-Liverpool, told Nebraska Assn. of Insurance Agents. Reduce files to the absolute minimum consistent with office requirements and see that they are handled at a top level of efficiency. Then gear the files to sales planning and use them consistently to service customers adequately and at the same time to develop additional business from present clientele.

Filing is really "finding," he said, because every filing system has the objective of finding promptly any wanted document. It should not be confused with storage. Operating an agency involves handling many documents which, when finally completed and recorded, must be put away in such a manner that any one of them can be located instantly. If the filing operations are not carefully planned and meticulously administered, they may constitute a bottleneck and seriously retard all other agency functions, all of which depend in some measure on efficient filing.

The files must be kept alive and must

serve as active tools of management. The filing department acts as a coordinator in bringing together all data relating to any client or subject. In this way, he added, filing is frequently linked with production, since the ability to draw promptly insured's file, complete with all data, is an important adjunct in developing business.

Even in a small agency, where filing is not a full time job, one clerk should be charged with this responsibility as a primary duty to which assigned functions are subordinate. Filing efficiency demands centralized responsibility. The cooperation of the whole office in recognizing filing responsibility is essential to the proper functioning of filing operations. No one but the file clerk should have access to the files.

Not only should the responsibility for filing be centralized, but the files themselves should be combined and set up in a central location readily accessible to the service units which use them. Centralized supervision results in a uniform and therefore time saving system of filing and indexing.

Further savings are possible by reduc-

tion in equipment on floor space in a centralized unit. Two separate departments might each have sufficient material to fill six drawers, but if a 4-drawer file is standard in the office, both departments together must make provision for four filing units. Combining the file requirements of the two departments reduces the number of filing units from four to three, a saving of 25% in equipment and floor space. Also, centralization minimizes the duplication of guide cards and thereby releases more filing space.

The trend is away from considering the 4-drawer file as standard, he said. Agents are using 5-drawer file units if placed against a wall, which gives 25% more filing space with no more floor area, or 3-drawer units if they serve also as counters or divisions between departments.

File drawers with papers in them are not files, he said. Actually an orange crate with a correct system of guides is a faster and more accurate file than a high grade filing cabinet equipped with an inadequate set of guides. The system of guide cards used will follow the filing method employed in the individual requirements of the agency. Under each method, the main guides, showing the major divisions by number or letter of the alphabet should be aligned for quick references. Special folders should be prepared for files which are used most frequently. The auxiliary guide tabs on the special folders should not be placed in the same position on the main guides; using different positions for the guide tabs will make the special files stand out and be located much more quickly.

Use Enough Guide Cards

Enough guide cards expedites finding any item. In general, a guide is used for each inch of correspondence filing; 20 to 25 guides to a drawer of correspondence is adequate. With card files, a guide to every 30 cards is standard. At least four inches of working space should be provided in each drawer to prevent excessive wear on the material and to accelerate filing.

There must be adequate cross-references. In an agency, there are many two or more identifying names to a file. The controlling producer may recognize the names, others in the office usually do not. For efficiency each member of the filing staff must be able to locate a file promptly, even with the most meager information. Proper cross-indexing, whenever necessary, will permit drawing any file without enlisting the aid of the producer.

In all but the very small offices, a control should be established to insure the return of all files drawn. The usual procedure is to use an out card or charge slip on which is noted the name of file, date drawn, and person requesting it. The out card is inserted in the file wherever and whenever a folder is removed. The card is designed to be used many times over and should be in a distinguishing color to permit occasional check on files which may be held out for too long a period of time.

Routine correspondence in an agency builds up quickly and, unless carefully supervised, may constitute a filing problem. Frequently, correspondence files may be congested by an accumulation of material which need not have been filed in the first place. As an example, one

agent, about to order additional filing cabinets, decided to review the current files first, and found that almost one-third of the material was represented by carbon copies of form letters enclosing renewal policies. This was corrected immediately by eliminating carbon copies of such letters and substituting notation on the respective daily reports indicating the dates when the policies and form letters were dispatched. Upon relieving the files of the form-letter carbon copies, additional file cabinets were no longer necessary.

Correspondence filing is best controlled by the correspondent. If a file has been completed and will no longer be required, it should be dropped in the wastebasket rather than sent to file where subsequently it will of necessity have to be unfiled.

Correspondence in suspense frequently presents a problem. In many instances, the suspense plan involves the use of an additional carbon copy of the letter on which further information is sought. This extra copy is placed in a chronological file under the date on which it is to be called up. Under this method, an additional file is required, and frequently, it may also be necessary to refer to the permanent file in order to obtain complete information. A more effective plan is for the dictator to indicate the suspense date on the regular file copy of the letter from which his secretary makes a suitable note in a suspense or diary book under the specified date before passing the carbon copy to file. In this way, each file is complete at all times and one extra filing operation is eliminated.

Expired Daily Reports

Agents are solving the problem of keeping expired daily reports, especially when the line folder plan is the basis of operation. Most agents feel it is unnecessary to retain daily reports more than one expiration back. The expired daily report is stapled to the back of the current daily report and placed in the corresponding line folder. As you can readily see, this is very helpful when insured telephones and wants to know why his automobile insurance costs more this year than last. Both daily reports are available in one place. Then, when the current daily report reaches its expiration, the previous expired daily report is torn off and thrown away. The renewal daily report is stapled to the current daily report, the latter then becoming the expired document. In this way, the daily report files are continuously and automatically stripped of old expirations and there is no need for dead files.

The method of filing daily reports bears decidedly on both production and efficiency. They can be filed by companies and policy numbers, an old fashioned way.

Or, a procedure which still has adherents is to file daily reports by companies and by expiration dates. This makes it possible for the agent's clerk to pull all of the month's expirations quickly in anticipation of renewal. In the policy term, however, if the agent wants a daily report, he has to consult another record, usually the accounts receivable ledger or other alphabetical index, to get the company name and expiration date before approaching the files. This saves the clerk's time at the

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K. O. Saunders, Chicago; Durre Black, New Orleans; and W. T. Harper of Maryland Casualty at the White Sulphur Springs horse show.

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Additional filing of producer's and insured's expense and is not sound economy. Alphabetical filing, however, is considered by many progressive agencies practical because the key to past or present transactions of any business—excluding that of an insurance office—is the name of the customer. Insured knows his own name, but seldom does he know the name of his insurer, his policy number, or the expiration date of his policy. Consequently, he looks to his agent to provide adequate and dependable protection in a sound company able and willing to pay his losses when they occur. But until those losses do occur he expects his agent to keep track of all pertinent information. An agent, therefore, who builds his primary records around the names of his customers can consult those records more promptly and without referring to any intermediary books or cards.

It is a comparatively simple matter to combine the daily reports with the insured's line records—the most important sales records in an agency. The basis of the plan is a folder for each insured showing on its filing face the lines written for that insured. The relative daily reports are placed in the folder. All correspondence relating to insured's account is also filed in the folder. The folder provides an expiration control, by colored signals attached to the top. A production guide is on the reverse side of the folder, listing coverages most generally sold and showing which have or have not been purchased by the customer.

Advantages of the Plan

A folder of this type is a case history for every customer's account—a centralized and complete record of everything related to that customer's insurance problems.

Here are some of advantages of the plan as related by agents using it:

Convenient combination of alphabetical index, daily report file, line record, correspondence file, expiration control, and production guide reduces the number of files. Fewer files result in fewer filing errors, stepping up all other agency operations.

Excellent psychology of showing a customer that the agent has prepared a special file for his business.

The facility with which individual surveys may be prepared.

The speed in drawing complete records when customers want information, thereby expediting the service to clients and solicitation of additional coverages.

Savings in man-power.

Effect of making the entire office name-conscious and, therefore, sales-conscious.

Increased ease of spotting and correcting nonconcurrences.

Maintaining live prospects for new forms of protection.

Expediting transfers and other changes by endorsement and minimizing errors by consolidating the daily reports for each insured in one file.

Insurance Agents Assn. of Kansas City was host at a breakfast Saturday to those attending the directors' meeting of National Assn. of Insurance Women. P. H. Hawes, vice-president, and John M. Nuckols, executive secretary, were the hosts.

H. A. Kern, vice-president and agency head of Central Mutual, had only four hours at Van Wert, from a two-weeks Mexican trip with a Central Mutual group of 90 before leaving for Philadelphia for the big mutual week there. He presided Tuesday morning at the breakfast given for 430 attending the convention of National Assn. of Mutual Insurance agents. The Mexican contingent consisted of agents who were leaders in a production contest, and their wives. Altogether there were 360 agents that won prizes of various kinds. Mr. & Mrs. Kern met the agents at Mexico City and then they all had an escorted tour. Also from the head office was Merle Waugaman, agency secretary, and Mrs. Waugaman. Mr. Kern goes from Philadelphia to Toronto for a four-day meeting.

Bishop Head Local Board Secretaries Conference

Joseph H. Bishop, Jr., executive secretary of Insurance Board of Cleveland, has been elected chairman of the local Insurance Boards Secretaries' Conference. Mr. Bishop is serving his third term as executive officer of the Cleveland board. The local board secretaries held their meeting recently at Cleveland.

John L. Wilds, president Protection Mutual of Chicago is going to fly to Columbia, S. C., Oct. 22, to attend the

fiftieth anniversary of a football game played between University of South Carolina and Clemson College, in 1902. There are about seven or eight of Mr. Wilds' team-mates left, including his brother, Sam Wilds, of Decatur, Ala. There will be a banquet Oct. 22 and they will see the Carolina-Clemson game Oct. 23. Bob Williams, coach of the team of 1902, is going to be host.

Moves to Jacksonville

New Hampshire Fire is moving its southern department from Atlanta to Jacksonville, Fla. E. C. Rohlin, resi-

dent secretary, said the change is being made primarily because of the greater accessibility to its agency plant in that area, as it has comparatively little business north of Atlanta, and it will speed up communications both to and from the agency force.

The new office will be located in Peninsular Life's branch building there. It will supervise operations in Florida, Alabama, Georgia, Mississippi and South Carolina.

Haskell Askew, manager Askew Adjustment Co., addressed Insurance Women's Club of Oklahoma City.

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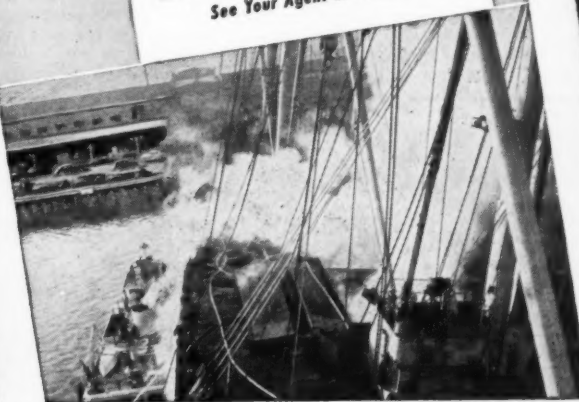
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(CONTINUED FROM PAGE 1)

Roy E. Larsen, president of Time, Inc., at the ad-sales luncheon. Mr. Larsen pointed out that the tycoon is dead, that the mid-century business man has had to go to school in labor, politics and social welfare, that he has a professional type of responsibility, and that he is today measured by what he does and not what he is.

The business man today is not a national celebrity, as the tycoon was, though he is a more able business man. The economic royalists and their privileges have disappeared. The modern manager must cope with a greater sor, many of them from the outside—variety of problems than his predecessor such as taxes, inflation and government regulation. Profits are essential, not for stockholders but for reinvestment in the future. The big problem of management is continuity of the business. Increasingly the corporation must be responsive to its responsibilities to the whole society.

Fire with Hail in Ill.

At the farm hail conference, where the chairman was Fred M. Hector of Michigan Mutual Hail, D. L. Achenbach, manager of Country Mutual Fire of Illinois, reported that his company during the past season provided for the first time fire coverage on standing crops with its hail insurance. The fire cover was added for 10 cents per \$100, compared with a rate of approximately \$1 per \$100 charged by the fire companies on specific risks. Country Mutual's provision of the cover was on proviso it went on the whole crop where the hail insurance applied.

Regular fire coverage of the risk would take a higher rate, he noted, because it is specific, whereas Country Mutual's cover is blanket with the hail, which produces a better spread and offsets adverse selection. The coverage was optional this year; perhaps later experience will show it can be given with the hail cover, without charge. A number of its hail policyholders bought the fire cover and losses were reasonable.

Some Bugs in Cover

There were some bugs. The requirement of insuring for fire any crop covered for hail ran into sweet corn which is always harvested green and presents no fire hazard. The question arises, is seeding covered in respect to small grain crops like clover? A truck loaded with combined wheat ran over

a pile of straw in the harvest field. Its exhaust set the straw afire and the whole load burned. The contract covers till the crop is harvested. Was this loss covered?

It was brought out that in Washington state this year the old line companies offered wind insurance against the shatter of wheat.

Fred Benson, vice-president Farmers Mutual Hail of Iowa, noted that the insurers are covering crops later than they used to.

Getting Along with Government

Mr. Benson reported as chairman of a special hail conference committee whose purpose is to combat the increasing encroachment in the crop insurance field by the government. The stock insurers have a similar committee and the two are working toward common goals.

At the meeting last week of the two committees with representatives of federal crop insurance corporation, Mr. Benson said he was much discouraged. It had been hoped that some basis could be worked out where private insurers and FCIC could live together. Insurers had been urged by FCIC to try all risk crop insurance and reinsure with FCIC in test counties.

However, Mr. Benson pointed out that FCIC is thinking of 20 counties for the entire country as a test and this provides too little spread. Because the coverage would be all risk, he thinks the insurers would put their hail business at risk since the cover could be changed by legislation at almost any time. In so small an area, the need of insurers charging more for the cover than the government because they include all their costs where the government does not, would put private insurance at a distinct disadvantage in the contrast of price.

Hopes Go Glimmering

He said he had hoped differences could be worked out, that perhaps agreement could be reached as to which fields the government and insurers would stick to—possibly the government would quit writing hail but write the other crop covers they have been writing. Insurers were in the hail business first. FCIC wondered if government adjusters could separate the hazards. Insurers do this all the time, Mr. Benson said. FCIC contends its program never was intended to be self supporting, that like social security the overhead would be paid by government.

Any separation of fields would take new legislation, Mr. Benson believes.

C. B. Funderburk of Cotton States Mutual, Atlanta, a member of Mr. Benson's committee, said he had reached the stage in negotiations with FCIC on crop reinsurance where he presented a contract that included a commission to his company. But now he has about concluded that this is not to be. FCIC is sustaining an over-all loss. It is going to be difficult, he believes, to persuade them to pay enough to cover what the insurer needs to carry the primary cover. He said he asked for all of Georgia on the reinsurance experiment. FCIC said it could only offer the reinsurance arrangement to private insurers in 20 counties, country wide.

Buxton Federation Head

J. A. Buxton of Federated Mutual Implement & Hardware of Owatonna was elected president of Federation of Mutual Fire Insurance Companies, G. H. Kamper, Badger Mutual, is vice-president, new directors are S. L. Baker of Michigan Millers; M. R. Rowe of Worcester Mutual; H. J. Pelstring of Pa. Lumbermen's Mutual, and O. E. Ringquist of Liberty Mutual.

G. A. McKinney of Millers Mutual of Alton is president of N.A.M.I.C.

C. B. Funderburk of Cotton States Mutual, Atlanta, was elected president of Farm Fire Conference. L. J. Keeney of Farmers Mutual Reinsurance of Grinnell, Ia., is departmental director.

At the agents session Monday afternoon with E. F. High of Columbus, the president, presiding a resolution was adopted commending the mutual company committee for the 200th anniversary campaign and urging continued institutional work of this kind. One of the members wanted agent participation in the program, saying that he couldn't attribute a single premium to the anniversary publicity. What he wanted apparently was extensive newspaper advertising. Phil Baldwin, the executive secretary, pointed out the aim was to sell the idea of mutual insurance, not to put on a drive for policies.

Roderick L. Geer, Syracuse, executive secretary of the New York state association, sponsored a gathering Tuesday of those in the various associations that do the secretarial work. This was an idea exchange.

A stinging attack on people who submit exaggerated insurance claims, juries which award unheard-of damages and "professional representatives" who attempt to secure excessive verdicts was launched in a talk by L. J. Carey, vice-president of Michigan Mutual Liability.

He spoke at the Conference of the Future.

Increased insurance rates are caused, in part, by a lack of public understanding and a mistaken idea that insurance is a horn of plenty which never empties, he said.

"There is something about this theory of the impersonal entity called insurance, with its supposed pipe line to eternal replenishment, that causes people who otherwise evidence a high moral standard to lie, cheat, perjure, steal, connive, and otherwise falsify when they are involved in a claim against an insurance company," he stated.

Companies have been forced to increase rates because of inflation but a further increase has become necessary because of what he called the "claims attitudes" of people.

Cause and Effect

"The same jurors who award unheard-of damages in their verdict, and the people who fake or exaggerate claims, are the ones who protest the most against such increased rates. They seem to have no consciousness of the fact that their own actions are largely the cause of these increased rates."

He also struck out against "professional representatives, particularly in the legal field," who also engage in similar activities, and specifically at a national organization of compensation claims attorneys.

According to their expressed purposes, they seek to secure "adequate" verdicts for plaintiffs, but defense attorneys define their purpose as attempts to "secure an excessive and exaggerated verdict through the use of visual and dramatic presentation of evidence and injuries and thus inflame and prejudice the minds of jurors."

What annoys and harasses companies are the intangibles in the public attitude which has exaggerated the number and size of the claims and losses sustained.

"In view of the accomplishments made in the field of safety education it would seem that a similar program directed to policyholders and the public, apprising them of their very personal interest in losses and their effect on insurance rates, would be appropriate," he said.

Three Major Problems

Insurance today faces three major problems which must be met and solved if the industry is to win for itself a bigger and brighter spot in the economy of the nation, Carl N. Jacobs, president of Hardware Mutuals, said.

"The answers to these questions are not simple," he said.

The three larger problem areas are: 1. The matter of compensating persons who have been injured through the negligence of others, with major emphasis upon automobile accidents.

2. The trend of government infiltration into the field of insurance.

3. The serious lack of public understanding of what insurance really is and what it is supposed to do.

"The situation as regards payment of negligence claims obviously is getting out of hand," he said, "especially in the automobile field. Juries seem to lose all touch with reality under the promptings of skilled lawyers handling such cases on a contingent fee basis."

He said any attempt to discuss the present insurance picture by major lines of insurance is steadily becoming less logical because of the trend toward multiple-line operation. Legislation authorizing this, he added, has been "merely a reflection of the insurance needs of modern America."

All types of insurance institutions appear to have more common interests than they have points of difference, he said, because of the growing pressure for setting up government insurance schemes. The idea that government can provide economic "security" because it is not bound by the same economic considerations as an insurance company "would seem to be another area



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in which lack of public understanding of the principles of insurance is damaging," he said.

"Better public understanding of the private insurance method of handling claims, and its superiority to a governmental scheme, is one of the major challenges to our industry."

Unengineered Drivers

"Unengineered drivers" are the greatest factor contributing to the tremendous annual toll in life, limb and dollars taken on our highways by accidents, according to H. M. Pontious, director of safety of Farm Bureau Mutual of Ohio. "We have done a far better job of engineering our automobiles and our highways than we have on our drivers and pedestrians," he said.

The hundreds of thousands who have died in traffic accidents may be a sort of final evidence that we can't drive safely without knowledge of the many laws of physics involved in operation of a car.

Four-wheel brakes, he said, came into use in the 1930's. They made possible much greater safety in operating cars, and accident tolls should have dropped but did not. That was because the "unengineered driver" embraced them as an aid to stop quicker so he could drive that much faster and that much "closer" before he needed to use them.

The problem of the drinking driver demands solution, since 17% of all drivers and 21% of all pedestrians involved in fatal accidents last year had been drinking.

Psychology in Prevention

A. H. Malo, resident psychologist of Lumbermens Mutual Casualty, cited the increasing importance of the analytical psychologist in the field of accident prevention. Over 90% of accidents are due to human failures, he said.

He predicted that soon "a battery of instruments will be developed that will be valuable in predicting the tendency to have accidents."

The industrial psychologist working in the accident prevention field undertakes to develop tests and devices that will identify the individual potentially susceptible to accident; to give direction to the safety education program; to assist the accident-prone person through individual counseling; and to assist in the selection and training of supervisors to eliminate faulty leadership as an accident cause.

Insurance and Gambling

The popular belief that fire and casualty insurance is closely akin to gambling, or even to other types of business, was attacked by N. E. Masterson, vice-president and actuary of Hardware Mutuals.

"Gambling involves the creation of risk, insurance is the transfer of risk," he said.

"In gambling, both parties incur new risks to which neither was subject prior to the transaction. In insurance, one party relieves himself of risk, which is assumed by a second party."

He also exposed the public misconception that the difference between premiums received and losses paid represents profits to the insurer. In five large mutual companies in the workmen's compensation field, out of every premium dollar 88 cents was for employer and employee benefits, 3 cents went for taxes and 9 cents went for all expenses and for all other functions required to operate financially sound insurance companies.

Financial solvency must be better understood by the general public, he stressed. Insurance loss cycles do not coincide with federal tax years.

"Any tax system which does not recognize loss cycles in the future can do damage to the role of private insurance in providing reserves to meet the risks of the future."

Mr. Masterson said the law of supply and demand is not applicable to insurance; competition does not serve as a

satisfactory regulator; costs depend upon future events which, in casualty and fire insurance at least, may or may not occur, and insurance is a promise to meet obligations which have not been incurred when the promise is made.

Larger farms with higher concentrations of assets, and insurance problems remarkably like those of any business, were forecast for the agricultural future by J. H. Laidlaw, executive vice-president of Minnesota Farmers Mutual.

He predicted larger farms in years to come, with higher values in acres, live-

stock, machines, buildings and hired help.

"Higher wages will have to be paid and more people will be needed, creating a regular employer-employee relationship comparable to that found in any business," he said, offering the probability that group A. & H. plans may be needed for farm workers and suggesting the possibility of extension of workmen's compensation laws to include agricultural workers.

Mr. Laidlaw said he believes farm machinery will be made more safe because

popular demand will insist that it be designed and built for safer operation.

Look for constantly improved automobiles in the future but highway construction lagging by at least several years because of almost prohibitive costs, according to William C. Searl, secretary of Auto-Owners.

Mr. Searl discerns a trend continuing in favor of the injured party so that "in the not too distant future everyone involved in an automobile accident will probably receive some kind of compensation, either through voluntary settlement



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by insurance companies, medical payments or some other device."

This trend, he said, has been brought about by the socialistic idea that society at large should bear all burdens of risk. The courts in recent years have construed an extension of contract between insurer and insured and have even stretched traditional formulas to the breaking point in order to insure recovery to an injured plaintiff.

"If we must face the inevitable, let us try to guide our destiny so that private enterprise and not the state or federal governments, distribute the funds among the claimants," he added.

The future commercial use of helicopters "promises to bring as many economic changes in the next generation as the automobile did in the past generation." That assertion was made by W. H. Rodda, secretary of Transportation Insurance Rating Bureau.

"The helicopter needs only a few advances in design and development to become the greatest force for change in transportation since the model-T Ford."

When helicopter production can be released from war duties it will be used both for air mail service and passenger transportation, he said. It will mean a trip of only a few moments from the airport to an office building, freight delivery in minutes rather than hours, and possible air mail speed-up of one day.

Another effect of the helicopter will be to speed migration to city suburbs, and a corresponding greater decay in the center of cities as stores move to fringe areas where customers can park. "The enormous parking lots of today at some airports may well be converted into heliports as more and more people arrive from their homes by helicopter," he said.

Complete Insurance Programs

Insurance programs of complete injury and illness coverage for all individuals, both on and off the job, were predicted for the future by Edward C. Ellis, vice-president of Federated Mutual Implement and Hardware.

A continuing trend of part-payment by employers for individual non-occupational disability coverage was foreseen, but he said that despite this there will be certain gaps in protection and some individuals ineligible for such plans.

"The insurance industry must be in a position to cope with such problems in developing programs of complete protection for the individual."

Mr. Ellis predicted increased benefits for the individual under workmen's compensation, fringe benefits the rule rather than the exception, and a full coverage policy, including life, with some deductibles, premiums and benefits based on

income and largely on the payroll deduction plan.

"Increased insurance protection for both industry and the individual," he said, "must keep pace with our tremendous technological advances."

The entrance of state or federal government into insurance fields usually amounts to subsidization through funds raised by general taxation because such programs are not economically self-sufficient, according to Marshall B. Dalton, president of Boston Manufacturers Mutual and Mutual Boiler & Machinery.

"The manner in which insurance has met the challenges in the past, as compared with other methods of meeting them, lends strong support to our thesis that upon the record it is the risk-bearing agency best qualified to deal with the problem of reimbursement for economic loss," he said.

He cited the accomplishments of insurance during two centuries: Meeting and neutralizing hazards growing out of increasing industrialization, steam and electric power, workmen's compensation and the advent of the automobile and the tremendous networks of highways.

There is a place for government assumption of risk, he said, in such fields as the hazard of flood, which does not yield itself to treatment by private insurance companies. While government insurance programs follow the precepts of private companies in part, Dalton made the observation:

"The point of departure—and it is a very important one—is that in many or most cases the government risk pools are not economically self-sufficient. The cost of participation is not necessarily keyed to the chance of loss, and operating expense often is subsidized by funds raised through general taxation."

Systems which do not operate within the limits of our economic system and without subsidy, he added, may confer seemingly superior benefits upon some but in the long run the bill must be paid by all.

Push Button Factories

Automatic factories, powered by atomic energy and supervised by only a few highly skilled technicians, were pictured for future generations here, with the notation that unmanned production lines already are in use, by F. W. Braun, vice-president in charge of the accident prevention department of Employers Mutual Liability.

The payment of catastrophic losses in event of atomic bombing might have disastrous effects upon the whole economic structure and even cause the total collapse of the system of workmen's compensation, Joseph P. Craugh, vice-president of Utica Mutual, said.

"In the last analysis, we must look to the federal government for the solution of this war-damage problem," he said, because atomic bombing is not predictable as to intensity, geographic distribution of number of occurrences, and the mind of men cannot comprehend a rate of insurance for "such an imponderable catastrophe."

While speaking for government assumption of the war-damage problem, Mr. Craugh concluded:

"We who are engaged in the business of insurance should never look to or expect the government to assume any functions or engage in any undertaking which can be exercised more economically and more efficiently through private enterprise."

Crime Rate and Depression

Look for a crime rate higher than ever before if runaway inflation produces an economic catastrophe similar to the crash of 1929 was a warning voiced by Dr. Richard C. Steinmetz, chief special agent of Mutual Investigation Bureau.

He urged insurance companies to take added interest in crime detection. Some companies already are working more closely with law enforcement agencies, he pointed out, and some will expend sums of money to keep abreast of new crime patterns as they develop.

The possibility that industrial accidents of the future may cost more in

terms of damaged machines and loss of production than injury to workers was advanced by Len P. Walters, loss prevention research manager for Hardware Mutuals.

Most of the new developments of machines will eliminate multiple steps in process. New machines will produce complicated products in several steps instead of the several hundred now required, he said.

The industrial accident cost of the future may well have a tendency to grow out of injury to the machines, he added.

Mr. Walters predicted an even higher percentage of maintenance accidents in the future, because men keeping machines in repairs are exposed to greater hazards than production employees.

"Maintenance workers must remove machine guards to get at the source of trouble, test and adjust machines while they are running, and often must work in locations where no production worker would be allowed to work, even in plants which at present are only moderately safety minded."

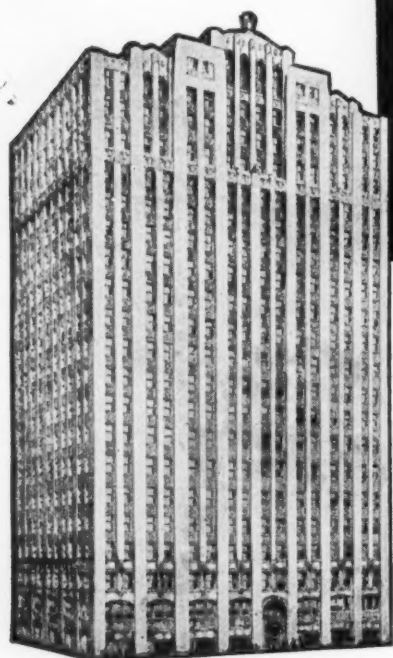
Accidents to maintenance men in the future will mean greater loss to both the insured and insurer, because they will be more highly paid than present production workers and because of their skills they will be much harder to replace.

Hazard of Radiation

Radiation is the newest hazard added to our way of living and because of atomic fission business interruption insurance experts will have something new with which to contend in the future, according to Howard F. Russell, general manager of Improved Risk Mutuals. Owners denied the customary use of their property because of fissionable material contamination, he predicted, will look to insurers for reimbursement for business interruption they suffer. Technological advances in science, chemistry, synthetics, travel, materials and machines only mean that we will meet our old enemies—fire, explosion, speed and carelessness—in new forms and around new corners, he said.

"While we will have plenty of hazards with which to contend in general, they will be old hazards dressed up in new

(CONTINUED ON PAGE 16)



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Falk Provides Blueprint for National Health Plan

The President's Commission on the Health Needs of the Nation, meeting at Washington this week, was handed a blueprint for compulsory national health insurance by I. S. Falk of the Federal Security Agency. Presumably, Mr. Falk's statement represents the current thinking of those in FSA who have been most active in promoting and publicizing the issue of national health insurance.

The alternative to a program such as he suggested, Mr. Falk said, would among other things, mean that "voluntary insurance of the kinds now predominant will increase in population coverage, but measured against the total need—will continue to provide limited and meager insurance protection."

His presentation included the complete argument favoring adoption of national health insurance, the reasons for doing it, as well as the plan in a nutshell together with a description of the results that would ensue.

Witnesses Differ Widely

Witnesses differed radically in testimony before the commission. Dr. Frank G. Dickinson, American Medical Assn., defended his profession's job in meeting health needs privately and through pre-pay insurance plans.

Harry Becker, one of the directors of commission on financing hospital care, contended voluntary plans could meet the needs if the government would co-operate. But government not only doesn't pay half insurance costs as many private employers do for their employees, but will not permit federal employees to pay full costs through payroll deductions, he said.

Dr. George Baehr, New York Health Insurance Plan, said voluntary health insurance will not fill the bill unless it provides complete coverage, including preventive medicine. And, he added, voluntary plans can only furnish such service through group medical practice. But some states prohibit prepaid group practice and local physicians discourage doctors practicing on a group prepaid basis.

Should Cover Six Needs

"If the burdens of medical costs are to be prevented," Mr. Falk stated, "insurance has to extend to six kinds of costs—those for physician, hospital, dentist, nurse, laboratory, and probably about one-third of the expenditures for drugs and appliances. Taken together, these six now account for nearly 80% of all private expenditures for medical services and commodities."

"If the families of the nation have substantially less than such comprehensive insurance, they have no sure protection because no family can reliably anticipate what kinds of illness it may have, or what kinds of services or costs, or in what amounts, an illness may bring. Less than comprehensive insurance leaves gaps in insurance protection, invites partial care and excessive costs for insured services, and retains the financial barriers against preventive and early care."

"Private expenditures for medical care in 1951, exclusive of the net cost of insurance, were about \$8.6 billion. Protection against 80% means insurance that covers, at the minimum, \$6.8 billion of private costs."

"It is reported that about 86 million different people—about 56% of the population—had some insurance against medical costs at the end of 1951. But the aggregate benefit payments under all of this insurance amounted to only \$1.35 billion, or less than 16% of total private expenditures. This is less than 20% of the minimal amount of insurance protection we needed in 1951."

"If 86 million people had some insurance at the end of 1951, why did all insurance meet less than 20% of minimum need? The answer lies in the fact that only about 3 million of the 86 million

had more or less comprehensive insurance protection. The other 83 million had various degrees of limited insurance protection."

"The need for wider insurance thus refers to the gap between the 16% of insurance protection we had in 1951 and the 80% we needed."

"The population coverage of private

insurance has been increasing rapidly. As long as there is no set-back in our economy, continued increase may be expected for some time to come. Will such further growth meet the need?"

"Assume that hospitalization insurance succeeds in covering 75% of the population within the next five or 10 years, and that other voluntary insurance grows correspondingly. All voluntary insurance would then insure against only about 21% of total private expenditures for medical care, or about 26% of the minimum insurance we need."

"To achieve more, private insurance would have to broaden its benefits great-

ly, while covering people who are increasingly difficult for it to reach and who would include a rising proportion of "bad risks." There is little ground for optimism here. Benefit expenditures per insured person, as well as premiums, have increased in recent years. But when adjusted for rising costs, there is no evidence of substantial or sustained increase in insurance protection.

"Perhaps it will be said that private insurance will be able to broaden protection after it has achieved larger population coverages. Against this stands the fundamental and stubborn difficulty that, without subsidies or compulsions, open

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or concealed, voluntary insurance has to be sold at a uniform premium. Each increase in premium to broaden protection carries the insurance beyond the means of some who should be insured.

"Unless the middle and lower income groups are subsidized so that their premiums can be reduced, or the insurance carrier is subsidized so that it can charge a uniform premium at a reduced level, voluntary insurance will be unable to broaden both its population coverage and its scope of benefits. Solution by subsidy is not to be embraced lightly, since the needed subsidies would involve billions of dollars.

"Voluntary insurance plans not only fail to provide adequate insurance protection but they do not, and apparently cannot, provide needed additional financial support for personnel and facilities and for educational and related resources. They hinder at least as much as they help the development of group practice arrangements required for advancement of quality of care. They encourage segmented and categorical services, with excesses in various directions, rather than coordinated care. They impede as much as they support modern preventive medicine. They are inherently more expensive than comprehensive insurance can and should be. And some of them encourage financial exploitation by practitioners and progressive commercialization of health services.

"Voluntary insurance has brought valuable partial insurance to many people. But to meet the national need, it would have to make herculean efforts, undergo drastic changes (involving readiness to change and widespread support of the changes from professional groups, employers, the public, and their governments), obtain over \$7 billion of additional premiums, and reduce net insurance costs while undertaking increasingly difficult insurance functions.

"The proper test of voluntary insurance is not its good intentions, its high sponsorship, nor its enrollment. The proper test is its achievement in providing comprehensive insurance protection, supporting needed resources for health care, and assuring ready access to medical services for the people who need it. By this test it is inadequate.

"Compulsory Has the Potential"

"Compulsory insurance has the potential for that wider financing of medical and related health services which the nation needs.

"Our recommendations for health insurance propose a national system with decentralized administration through the states. We would build on the framework of our national system of OASI, which now covers about 45-50 million jobs or 75-80% of all in the civilian labor force. With the same coverage, plus dependents, and the readily added railroad and federal employees and their dependents, the system would apply to about 85% of the population. Those receiving income benefits would have paid-up insurance for the medical benefits. The system could readily expand further, and large noncovered groups could be made eligible for medical benefits through equitable payments on their behalf to the insurance fund.

"Within a pattern for comprehensive insurance, the initial benefits could be limited to one, two or three kinds of services, with others to be added later in successive steps; or they could be as broad as resources permit and become more comprehensive as resources expand. We have thought the latter is the preferable choice. On this basis, the benefits would include the services of physicians and dentists—both general practitioners and specialists, general and special hospital care, the services of secondary practitioners, home nursing care, laboratory and related services, and prescribed appliances and medicines that are unusually expensive. Initial limitations on benefits, compelled by shortages of personnel or physical facilities, would be reduced or withdrawn as rapidly as practical.

"All qualified practitioners and facilities would be eligible to participate, so

that the benefits could be as comprehensive as the resources of the whole country permit. Assured payments for services would stimulate the expansion of needed resources.

"There would be special provisions to deal with shortages of personnel and facilities in rural and other areas, and such special measures would be available even before the program comes into operation. There would also be annual grants from the insurance fund to educational institutions and maintenance grants to students, and similar support for basic and applied research. All of these would be financed by the insurance funds, not—as in some recent legislative proposals—by general tax revenues.

"Our recommendations include many explicit guarantees and protections to insured persons, practitioners, hospitals, and other participants. These include, for example: The right of all qualified practitioners, hospitals and other facilities to participate and be paid for services to insured persons; the similar right to participate for organized service groups and organizations that operate voluntary health service plans or health service insurance plans; free choice of doctor, hospital, etc., by the insured persons; freedom of doctor, dentist or nurse to practice where he chooses; no intrusion into the management of hospitals; payment to practitioners by the methods of their choice, and at rates sufficient to yield adequate annual incomes; full-cost reimbursement to hospitals; and preservation of the confidentiality of personal records.

"The national aspects of administration would be lodged in a national board and an advisory council located within the federal security agency. These bodies would be concerned primarily with policy and allocation of funds to the states. Record-keeping, eligibility determination, and related operations would be performed by the bureau of old-age and survivors insurance. Arrangements for benefits and their payment would be performed by state agencies (preferably the state health agencies); they would make the surveys of resources and needs, appoint staff, establish local health service areas, allocate funds to areas and services, make payments, etc.

Local Administration

"At the local levels, administration would be in the hands of local administrative committees or officers assisted by local advisory committees, and both would be assisted by local professional advisory committees.

"The national board would administer benefits only when a state did not agree to undertake the responsibility or could not carry out its agreement. This would be a federal guarantee to the insured persons that they would receive a return in benefits for contributions paid to a federal insurance fund.

"How much would the recommended program cost and how would it be financed?

Cost 2% of National Income

"Starting from present expenditures for medical care, our cost estimates allow for two kinds of increases—(1) for more, better, and more comprehensive services immediately and in the early years of insurance, and (2) for more and better services later, as resources are increased. As a result, the annual estimate for an initial year aggregates about 33% higher than current expenditures for the same kinds of services; a decade or so later, it is about 80% higher than those current expenditures. These figures allow for continuation of recent trends with and without insurance. They could prove to be excessive, especially if the more effective development of preventive, diagnostic and therapeutic services reduced reliance on expensive hospitalization.

"We have estimated that, in each of the first years, the recommended program would require about 2% of national income; 10 or 15 years later, when the supply of practitioners, hospitals, and

other resources and the effective demand for services have increased, it would take nearly 3%. We have proposed that it be financed mainly by social insurance contributions. With the present OASI "ceiling" of \$3,600, the estimates are equivalent to about 3.5% of covered earnings for the early years and to about 4.7% later. With a "ceiling" of \$6,000—more appropriate to present-day earnings levels—the costs are equivalent to about 3.1% at first and about 4.4% later. Dollar figures would vary with changes in coverage, prices, and earnings levels. Barring large or catastrophic changes in the economy, the percentage figures related to national income or to current earnings would be relatively stable.

"The insurance expenditures would in the main be substitutes for private expenditures. They would also relieve government (at all levels) of many present tax outlays supported from general revenues. We have therefore proposed that the program be financed primarily from insurance contributions of 3% of covered earnings, supplemented by flexible but limited grants from general revenues—limited to amounts equal to 0.5% of covered earnings at first, to 1.0% a few years later, and—if necessary—to 1.5% when the program approaches as



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full maturity as can be foreseen. The division of contributions between employers and employees could be in one proportion or another.

"With insurance premiums fixed as a percentage of earnings (up to a "ceiling"), contributions would be reasonably related to ability to pay; and the resources of the insurance system would automatically adjust to income and price levels. Thus, with the help of a contingent reserve, the insurance system would be able to preserve financial balance.

"This insurance program would require increases in national expenditures for the kinds of services provided as insurance benefits, amounting at first to about 0.5% more of national income than in 1951 and later about 1.2% more. The insurance expenditures would still have to be supplemented by noninsurance personal expenditures—more at first when the insurance benefits are more limited, and less later on. Total expenditures for medical care and related health services would therefore probably be relatively larger than they are today.

Provide Nearly 100% Protection

"From its very beginning, national health insurance could provide insurance protection against a large part of all the costs that are burdensome to the individual family. As personnel and facilities become more adequate, the system could provide something approaching 100% of the needed protection. It could do this for at least 85% of the population at the outset and closer to 100% later on.

"At the same time, the insurance system could assure financial support for at least a minimum of essential personnel and facilities even in shortage areas, while supporting something approaching an adequacy level elsewhere.

"The insurance system could relieve federal, state, and local governments of substantial tax loads for personal health services. It could thus augment the capacity of general tax funds to support public health services, even while increasing the possibilities for lower tax levels.

Medical Care Would Improve

"In addition, the insurance system offers a large new opportunity to improve the quality and effectiveness of medical care through: (a) financial support of professional education and training, research and personnel and group practice for diagnosis, treatment, and rehabilitation; (b) new standards for facilities and specialists; (c) experimentation with methods of payment that encourage adequacy of care; and (d) financial assurance of access to a general practitioner and as needed to any available specialist, laboratory or hospital service. Finally, it could open a new chapter for progress in national health. The modern attack on preventable morbidity and premature mortality demands easy access to the physician and, through him, to all the other resources of modern medicine. Comprehensive national health insurance could make this fundamental requisite of modern public health practical and real.

"The potentials of national health insurance can be realized whether the insurance system starts with a full spectrum of benefits or with only one, two or three and adds the others in successive stages, provided the design of the early stages does not compromise the ultimate objectives.

"It is highly difficult nor dangerous to venture predictions of what's ahead if we continue to rely on voluntary insurance.

"Voluntary insurance of the kinds now predominant will increase in population coverage, but—measured against the total need—will continue to provide limited and meager insurance protection.

"Plans that furnish comprehensive protection will increase in number and coverage, especially under prodig from labor and management; but they will continue to be quanti-

tatively unimportant.

"Well-organized group practice plans will again and again demonstrate their ability to provide sensible and satisfying comprehensive services, to improve quality and adequacy of care, and to achieve professional and financial economies; and they will continue to be exceptions if not rarities on the American medical scene.

"Shortages and maldistributions of personnel and facilities will continue, and may even increase.

"Professional educational institutions will continue to have inadequate capacity to produce the personnel we need and can support, and to struggle with recurrent or continuing financial crises.

"At the same time, we will have an ever-growing number of more or less separate and uncoordinated programs financed by general revenues. They will seek—and they will find—tax support to provide services for particular population groups and diseases.

"Despite the counterpressures of tax-sensitive citizens, anti-tax leagues, and similar groups, at least hundreds of millions and perhaps billions will be added to the \$3.5 billion we now spend from general revenues for civilian public medical services and facilities.

More Is Demanded

"In short, I believe that in our high-level expanding economy, with our achievements in education, the public will increasingly demand and receive the benefits of modern medicine and public health measures, and adequate protection against medical costs. They will be served, because they will be able and willing to pay the costs. I believe that, if an adequate insurance approach is denied the public, they will inevitably support expansion of the public services—just as the British public supported a national health service to supersede an inadequate insurance system.

"The pattern of social insurance is sound because it provides for common need while preserving and fostering the dignity and self-respect of the individual. Since most of our present public medical services are conditioned on a means test, they do not meet these criteria. Such a test cannot be avoided for those who need public aid for other necessities, but it should not be necessary for medical care alone. Without adequate insurance, I expect waves of public pressure that will dilute the means test and finally wash it out of our public medical services. There are some who would welcome that course; but I believe the public would prefer to be served through contributory social insurance, with its built-in financial stabilities and its safeguards for those who provide and those who receive services.

"Thus, if we agree on the need for wider use of insurance in financing health services, we find that voluntary insurance does not and cannot meet our national needs. We then consider voluntary versus compulsory insurance. But it soon becomes evident that this is the apparent but not the real issue. The choice before us is, rather: Shall we go forward relying mainly on contributory social insurance, or on limited voluntary insurance and expanding tax-supported public services?"

May Ease Brazilian Law

A bill that would allow alien insurers in Brazil to remit premiums on re-insurance and profits up to 10% of the capital entered in the country on the official rate, is expected to pass the Brazilian congress in the near future, according to Dr. Odilon de Beaclair, general manager of American International Underwriters in Brazil. He said the bill would allow an excess of 10% to be remitted under the free exchange market.

The trend toward nationalization of insurance in Brazil is being modified, Dr. Beaclair said.

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2,500 Attend Mutual Meeting

(CONTINUED FROM PAGE 12)

clothes and secreted in new closets."

Fire fighting by the use of super-sonic frequencies was predicted as a possible future development by Dale K. Auck, director of the fire protection division of Federation of Mutual Fire Insurance Companies.

"In a laboratory, one can bend or diminish the flame of a bunsen burner by implying a high frequency sound wave on it," he said. "It is conceivable that as we progress into the super-sonic range of inaudible frequencies that we may be able, by such means, to extinguish fire."

At the City & Town Conference Tuesday afternoon with Dean C. Roger of Commercial Mutual of Greeley, Colo., L. A. Mack of Weekly Underwriter, gave a talk based on his many years of observation of insurance.

Joint Inspection Service

Russell Davis of Lumbermen's Mutual of Mansfield, reported for a committee that has been looking into the possibility of setting up a joint inspection service for mutuals. He said he is strong for this. Three companies have agreed to select a few cities in Indiana in which inspection data will be exchanged as a means of testing out the possibilities. The committee also had a hand in designing a new accounting system in which the accounts current are prepared by the insurer rather than the agent.

J. C. Mindermann said a committee that he heads finds virtually no interest in the idea of establishing a central loss adjusting bureau.

R. E. Lehman of St. Paul Mutual, spoke in favor of insuring TV aerials separately and for a definite premium. He said his committee is about to con-

duct an opinion survey on deductibles. He said dwelling business has come on evil days. A company friend said he would be glad to trade his dwelling business for mercantile.

With its annual meeting here curtailed somewhat by the multi-ring mutual gathering, National Assn. of Mutual Insurance Agents elected as president John A. Kroll, Washington, D. C., who has been treasurer several years; Vice-president S. Duane Colburn, Sac City, Ia.; J. F. Montgomery, Jackson, Miss.; Sterling Sassen, Austin, Tex.; E. F. Wright, Valley Stream, L. I., and Harry Uhler, Baltimore; treasurer, Charles M. Boteler, Washington, D. C.; secretary, Al Field, Hickory, N. C., and executive secretary, Philip L. Baldwin.

Farm Fire Group Elects

The Farm Fire Conference elected C. B. Funderburk, Cotton States Mutual, Atlanta, president, and L. G. Keeney, Farmers Mutual Reinsurance, Grinnell, Ia., secretary.

National Assn. of Automotive Mutual Insurance Companies elected G. A. McKinney, executive vice-president of Millers Mutual of Illinois, president; H. S. Kemper, Lumbermens Mutual Casualty, vice-president, and C. W. Brown, Merchants Mutual Casualty; H. D. Durham, Iowa National Mutual; I. G. Saltmarsh, Indiana Lumbermens, and H. W. Yount, Liberty Mutual, directors.

The federation will meet at San Francisco the week of Oct. 12, 1953, and hold a recessed session the week of Nov. 16 at Chicago. At the latter time American Mutual Alliance will hold its annual meeting as will National Assn. of Mutual Casualty Companies.

One of the features of the town hall entertainment was an amateur performance by members of the Sparks Club, Mutual field organization in Pennsylvania, Maryland and Delaware.

The registration was more than 2,500, all time high for a Mutual gathering.

Tex. Life, A. & H. Control Needs Jacking Up: Butler

Need for a Texas law giving the state the right to approve life, health and accident policy forms was expressed in Dallas by Commissioner Butler who spoke at a dinner meeting of Texas A. & H. Claims & Underwriters Assn., which is headed by R. B. Donovan, vice-president of United American. He said such a law is necessary to prevent federal control of the business.

"A congress," he said, "can always be convinced not to take over the insurance business if you have the proper state laws on insurance, which we do not have to control the life, accident and health business in Texas."

"Unless you have good underwriting and good claim practices and no misrepresentation among your agency forces, you might be faced with a bill in Congress which would do away with Public Law 15 and put the entire insurance business in the hands of the federal government. One bad misstep by the A. & H. industry, since the federal government seems to have its left eye on you, could cause some legislation in Washington which nobody wants."

Mr. Butler urged better professional education for agents and the importance of "having your agents insist that the policyholder read his contract."

Mechanical Heart Talk

Oliver Maisch, president of Mechanical Products Corp., is addressing the luncheon meeting Oct. 21 of Chicago A. & H. Assn. on "The Evolution of a Mechanical Heart Pump." He will bring along the complicated equipment required in order to give an actual demonstration.

Allan Now Loss Specialist

Clarence E. Allan, who retired as Pacific Coast manager of Northern Assurance last July, has opened offices at 57 Post, San Francisco, as an "insurance loss specialist." He will handle only special and intricate types of losses for companies.

Before becoming coast manager for Liverpool & London & Globe years ago, Mr. Allan had been general manager of the old Pacific Coast Adjustment Bureau — company organization later merged with the present G.A.B. Later he specialized in U. & O. and similar special losses until he became coast manager of Northern Assurance. Mr. Allan said his decision to use his past experiences for such losses resulted from suggestions from company executives.

Quinn Heads Phila. Slate

Insurance Society of Philadelphia will vote on new officers at the Oct. 20 meeting. The nominating committee has slated H. B. Quinn, Maryland Casualty, for president; Joseph P. Flaherty for first vice-president; Howard S. Coe for second vice-president; Howard W. Newman, Jr., for secretary, and George T. Rowland for treasurer.

Stover Springfield Chief

Francis Stover is the new president elected by Springfield, Ill., Assn. of Insurance Agents. Joseph F. Prola is vice-president and C. A. Askins is secretary-treasurer.

New D. C. Adjusting Co.

Ward Adjusting Co. has opened offices at 1507 M street, N. W., Washington, D. C., with Colin L. Ward as president. Mr. Ward formerly was executive vice-president of Dickson Adjusting Co.

Would Widen Town Mutual Field

SPOONER, WIS.—Wisconsin town mutuals should have equal rights with all other insurers and not be restricted by law to insure only specified kinds of property as at present, Charles H. Kennedy, executive secretary of Wisconsin Assn. of Town Mutual Com-

panies, told the district 9 meeting here. Arthur Foster of district 8 advocated a rate reduction of 50 cents per \$1,000 of fire coverage when a proper certificate of inspection of electrical installations is produced by policyholders.

Progress toward writing wind insurance was discussed and tentative plans for reinsurance of such risks explained.

Johnson Joins Millers Nat'l

Ralph W. Johnson has been appointed resident manager at Seattle for Millers National, succeeding Don Baller, resigned.

Mr. Johnson started as a local agent in 1945, later became an inspector for Northwestern Mutual Fire and since 1950 had been special agent for Central Mutual of Ohio at Salt Lake City, traveling Utah, Idaho and Montana.

Indiana Adjusters to Meet

The annual meeting of State Adjusters Assn. of Indiana will be held at Fort Wayne Nov. 14-15. About 300 are expected to attend. William M. Whinery, acting president, is in charge of arrangements for the meeting.

N.J. Auto Rate Issue

National Bureau of Casualty Underwriters Counsel James B. Donovan said the decision in the appeal against the automobile liability rate increases in New Jersey will be given as soon as the testimony can be studied.

T. James Tumulty, candidate for nomination as Democratic candidate for governor of New Jersey, filed the appeal which was heard in Newark Sept. 25 and Oct. 10. Tumulty admitted that he expected the appeal would be dismissed.

If necessary, Tumulty said he would carry his appeal to the insurance commissioner or the courts. He charges the new rate is excessive and discriminatory.

H. O. Fishback, vice-president of Northern Life of Seattle, is making excellent progress in recovering from serious injuries suffered when he fell from a hotel room window while attending the Washington Assn. of Insurance Agents convention at Yakima Aug. 20. Mr. Fishback is now confined to Swedish Hospital, Seattle, after having originally been at St. Elizabeth's Hospital, Yakima.

Commissioner Maloney has approved the name of Fremont National Ins. Co. for a new insurer to be organized in California. Edmund W. Cook of Los Angeles is attorney representing the organizers.

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Talks to Restaurant Men

B. J. Weldon of Dulane, Johnston & Priest, Wichita, represented the public relations committee of Kansas Assn. of Insurance Agents in addressing the annual meeting of Kansas Restaurant Assn. at Wichita. He urged that insurance agents be kept in line with replacement values and gave suggestions for better fire safety in restaurants.

Insurance Course at Superior

In cooperation with Superior (Wis.) Assn. of Insurance Agents, a series of two-hour sessions on policy forms and insurance law has been inaugurated by the Superior vocational school for agents.

New Minn. Rates Proposed

ST. PAUL — A hearing was held this week by Minnesota compensation insurance board on proposals submitted by Minnesota compensation rating bureau for changes in rates for 1953.

Resolute Appointments

Kenneth H. Field has been appointed assistant secretary of Resolute. Robert S. Palmer becomes superintendent of the subrogation department, and B. D. Marable is named resident vice-president for Tennessee with headquarters at Knoxville.

Mr. Field has been with Resolute in the accounting department since 1948. Mr. Palmer is a 1951 graduate from Cornell law school and has been with the firm of Slavitt & Connery at South Norwalk, Conn.

Mr. Marable has been special agent for Resolute since 1949.

Chamber Social Law Clinic Meets

WASHINGTON—Indications of 1953 legislative action on cash sickness proposals were gone over at a meeting of the U.S. Chamber of Commerce social legislation committee.

Other matters taken up with a view to possible chamber action were priority projects for 1953, the President's commission on health needs of the nation, and OASI problems.

Miss Marian Betts has been elected secretary of Wyoming County Grange Mutual Fire of Tunkhannock, Pa. She takes the place of the late Frances G. Allen.

The fall jamboree and Halloween party of the St. Louis Court of Cats Meow will be held Oct. 24.

Convention Dates

Oct. 16-18, Colorado agents, annual, Broadmoor Hotel, Colorado Springs.
Oct. 16-17, South Carolina Assn. of Insurance Agents, Ocean Forest hotel, Myrtle Beach.

Oct. 20, Rhode Island Agents, annual, Sheraton-Biltmore hotel, Providence.

Oct. 20-21, Tennessee Agents, annual, Noll Hotel, Nashville.

Oct. 20-24, National Safety Congress, Conrad Hilton Hotel, Chicago.

Oct. 21-22, Massachusetts Agents, annual, Copley Plaza Hotel, Boston.

Oct. 22-24, Insurance Accountants Assn., annual conference, Sky Top Lodge, Sky Top, Pa.

Oct. 27-28, Missouri Agents, annual, Sheraton hotel, St. Louis.

Nov. 2-3, Arizona Agents, annual, Hotel Westward Ho, Phoenix.

Nov. 9-11, Kentucky agents, annual, Kentucky hotel, Louisville.

Nov. 12-14, Wisconsin Agents, annual, Hotel Schroeder, Milwaukee.

Nov. 13-14, American Management Assn. insurance conference, Drake Hotel, Chicago.

Nov. 17-19, Indiana Agents, annual, Claypool Hotel, Indianapolis.

Cal. Adjusters' Meeting

California Assn of Independent Insurance Adjusters will meet at Bakersfield Oct. 30-Nov. 1, speakers will be Robert E. Battles, president California Assn. of Insurance Agents; Raymond Switzer, assistant director of the financial responsibility section of the California motor vehicle department; James Petrini, negligence defense attorney, and Fire Chief Pifer of Bakersfield on "Impact of Earthquake Shock on Normal Fire Department Procedure. The banquet will be held Oct. 31.

Testimonial to Birchenough

A testimonial dinner for Arthur Birchenough, who retired Sept. 1 as district secretary of New York Fire Insurance Rating Organization and Underwriters Assn. of New York State, is to be held Oct. 28 at Syracuse.

Paul O. Landry, Klamath Falls, Ore., local agent, is a candidate for mayor of that city in the election Nov. 4.

Sterling Gossett, special agent of National Surety, spoke on "Fidelity and Surety Bonds" before the Insurance Women's Assn. of Fort Wayne, Ind.

**Holden, Parkinson, Naser
New Idaho Agents' V-P's**

New regional vice-presidents of Idaho Assn. of Insurance Agents are J. B. Holden, Caldwell; D. R. Parkinson, Blackfoot, and Ralph Naser, Lewiston. These men were elected directors at the recent annual meeting at Pocatello.

T. F. Terrell, Pocatello, the new president, reappointed H. W. Poulson, Boise, state national director.

Freak Ky. Fire Brings Suit

LOUISVILLE — A suit for \$44,807 loss that resulted when a gasoline truck hit a bridge and turned over on July 11 at Hammond, Ky., has been filed here. A chain reaction fire was caused when 4,200 gallons of gasoline went into Potter's Fork, just above the mining town of Hammond. The gasoline was touched off by a trash fire 500 feet below the crash, and the fire was carried in floating form into the town, where three frame buildings, a church, a coal tippie, 11 autos and three trucks were destroyed.

The suit was brought against Liquid Transportation Co. of Louisville by Mrs. Dice Collins, who owned a general store, a restaurant and apartments,

which were destroyed. Several others who suffered loss in the fire have indicated that they also planned to file suits.

Union County Agents Elect

Norman E. Smalley of Plainfield has been elected president of Union County (N. J.) Assn. of Insurance Agents, succeeding Albert A. Olson of Elizabeth. Other officers elected are: Vice-president, Russell Frame, Elizabeth; secretary, Henry S. Gilbert, Westfield; treasurer, Edwin N. Rothberg, Plainfield.

Whitney to Local Agency

Edward J. Whitney, who for three years has been with Utah Fire Rating Bureau, has joined Hogle Investment Co. at Salt Lake City as manager of the recently organized insurance department. Mr. Whitney is the chairman of the fire prevention committee of the Salt Lake City Junior Chamber of Commerce.

Athens Asks Lower Rates

With a full-time, paid fire department for the first time, Athens, Tenn., has asked Tennessee Inspection Bureau for a reduction in fire rates. Growth of the T.V.A. area has caused a great increase in population there.

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MARINE NEWS

America Fore Names Two in New England States

The inland marine department of America Fore has appointed James T. Kelley and Clifford S. Kitteredge as special agents covering the New England states territory with headquarters at Boston.

Mr. Kelley is a graduate of Dartmouth college. He began his insurance career with Appleton & Cox as marine special agent for New England prior to his present appointment.

Mr. Kitteredge began his insurance career with Fireman's Fund as fire underwriter. He is joining America Fore after serving as marine special agent covering Boston and New England.

Hear Merchant Marine Talk

Marine Underwriters of Southern California heard Commodore Russell M. Ihrig, U.S.N. (retired), superintendent of the California Maritime Academy at Vallejo, Cal., discuss "Our Fourth Arm of National Defense." He developed the need for a strong merchant marine for national defense, and told of the work of the academy in developing capable deck and engineering officers.

Burke Joins National Union

National Union Fire has appointed Leonard F. Burke marine supervisor for northern and central California with headquarters at San Francisco.

Mr. Burke has had six years' experience in the inland marine field in the San Francisco and bay area, most recently with Royal-Liverpool. He is a graduate of St. Mary's college.

New McGee & Co. Directors

John Osterby and Eric E. Ellis, vice-presidents of Wm. H. McGee & Co., have been elected directors of the company.

Kansas City Fire & Marine Advances Manion, Scott

Carl R. Manion, for three years assistant manager of the casualty department of Kansas City Fire & Marine, has been elevated to the new position of superintendent of the combined automobile and casualty department. Warrant T. Scott, for six years assistant manager of the inland marine department, has been named superintendent of that department.

Mr. Manion went to Kansas City F. & M. in 1949 from its affiliated agency, R. B. Jones & Sons, where he had been manager of the automobile department since returning from war service. Mr. Scott joined the company after signal corps service in the Pacific. He attended Ottawa University and University of Kansas, where he majored in business economics.

Eight-month figures for Kansas City F. & M. show an increase in premium production of more than 26%.

Mountain Now Director

Harry M. Mountain, who is in charge of the over-all casualty operations of the Aetna Fire group, has been elected a director of the four companies comprising that group. He has been an Aetna man since 1921 and in July of this year went to Hartford to take over his new position. He had been the western manager of the fire companies.

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(CONTINUED FROM PAGE 2)

the National association or any other body.

The first day of the convention consisted of two highly-successful schools. Both schools were filled to capacity, and featured the best attendance record ever achieved at any such meeting to date. The liability insurance school, with 172 in attendance, was conducted by Dr. Curtis M. Elliott, professor of insurance at University of Nebraska, and was unique in the fact that not a single individual absented himself from the classroom until the completion of the school. The farm insurance school, attended by 92, was conducted by the farm committee of Nebraska Fire Underwriters Assn. and featured six speakers. At its conclusion, a resolution was prepared, requesting the continuance of the school at future conventions.

Farm school speakers were A. R. Johnson, Hartford Fire, Chicago; Clarence C. Hedstrom, Hartford Fire, Omaha; Jack R. Roth, Home, Omaha; R. H. Miller, Springfield F. & M., Scottsbluff, Neb.; Robert E. Forrest, America Fore, Omaha, and Forrest Riddell, National Surety. Arnold Cowles, Imperial, presided.

Mr. Miller discussed the livestock floater, noting that, considering new reduced rates, it has not been receiving as much emphasis from the agents as it should. Mr. Forrest, pointing out that 82% of Nebraska farms have tractors and other mobile equipment, said there is a vast need for the mobile agricultural machinery and equipment floater type of policy which affords the broadest coverage available.

Serious Underinsurance Cited

Mr. Johnson pointed to what he termed a serious underinsurance of farm values in the state, and Mr. Hedstrom estimated that farms struck by the summer tornado in southeastern Nebraska were insured to about 50% of their total insurable value. Solution of the problem lies in increasing the amount of policies, not their number, he said. One of the discussion topics was the new winter range cattle coverage for farms.

The morning of the second day committee reports were given, indicating a year of very successful operation, and reports were heard also from Loren H. Laughlin, Nebraska director of insurance, and Roy Blazek, supervisor of financial responsibility.

At the afternoon educational session, William J. Traynor, assistant secretary of North British, spoke on "Profitable Agency Advertising," Oscar Beling, superintendent of agency systems of Royal-Liverpool, on "More Profits from Your Files," and Robert T. Foote, Chicago, executive special agent of Hartford, on "Business Interruption Made Simple."

The local board activities award, offered this year for the first time, was

won by Insurors of Omaha, in an extremely close race with Lincoln Assn. of Fire & Casualty Agents and Grand Island Fire & Casualty Insurance Board. Past President Herbert R. Walt of Lincoln made the presentation.

Distinguished service awards were conferred on seven members, six of whom were present. Roy D. Raitt was cited for the conduct of an insurance day in his home city of Ainsworth. Lawrence C. Coy, Lincoln, received special commendation for his work as chairman of his local board publicity committee, which conducted a highly-successful newspaper advertising campaign featuring an "insuror of the week." Kenneth F. Schenck, Omaha, was commended for his work in organizing his local board behind flood work during last year's Missouri river debacle. Arnold Cowles of Imperial was cited for his work in behalf of the rural agents of Nebraska, and V. K. Krenk of David City for fire and accident prevention activities in his city. Albert F. Blackburn of Grand Island was praised for his work in heading up a school bond issue and Wayman E. May of Cozad for his work in forming a local board there.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago
Oct. 9, 1952

	Div.	Bid	Asked
Aetna Casualty	3.00*	91 1/2	93 1/2
Aetna Fire	2.25*	56	57 1/2
Aetna Life	2.50*	93 3/4	95 1/2
American Alliance	1.50*	33 3/4	34 3/4
American Equitable	1.50*	28	29 1/2
American Auto	2.00	47 1/2	49 1/2
American (N. J.)	1.00	26 1/2	27 1/2
American Surety	3.00	51	52 3/4
Boston	2.60*	69	72
Camden Fire	1.00	23	24
Continental Casualty	2.50*	81	83
Crum & Forster Com.	2.00*	41 1/2	43
Fire Association	3.00	68	69 1/2
Fireman's Fund	1.60	57	59
Firemen's (N. J.)90	26	27 1/2
General Reinsurance	1.60	37	38 1/2
Glens Falls	2.00	60 1/2	62
Globe & Republic80	15	16
Great American Fire	1.50*	36	37 1/2
Hartford Fire	3.00*	149	152 1/2
Hanover Fire	1.60	38	39 1/2
Home (N. Y.)	1.80	39	40
Ins. Co. of North Am.	2.50*	81 1/2	83 1/2
Maryland Casualty	1.20	24 1/2	25 1/2
Mass. Bonding	1.20	20 1/2	21 1/2
National Casualty	1.50*	28	Bid
National Fire	2.50*	69	71
National Union	1.80	39	40 1/2
New Amsterdam Cas.	1.50	39	40 1/2
New Hampshire	2.00	46 1/2	48
North River	1.20	28 3/4	29 3/4
Ohio Casualty	1.20	65	68
Phoenix, Conn.	3.00*	101 1/2	103 1/2
Prov. Wash.	1.50*	29 1/2	31
St. Paul F. & M.80	33	34 1/2
Security Conn.	1.60	38 1/2	40
Springfield, F. & M.	2.00	51	53
Standard Accident	1.60	37	38 1/2
Travelers	14.00*	658	668
U. S. F. & G.	2.00	55 1/2	57
U. S. Fire	1.40	44	45 1/2

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Charles Reid, Pittsburgh, Mrs. Reid; Mrs. Laurence S. Jones, Mr. Jones, U. S. manager of Ocean Accident, seen at the casualty convention in White Sulphur.

McDowell Adjusters Mgr.

John P. McDowell has joined the insurance companies adjustment division of Associated Trade Adjusters as manager of the New York City depart-

ment. Mr. McDowell had been associated with the Great American group and Fidelity & Casualty.

C. A. Bliss has been made New Jersey field representative with headquarters at Montclair.

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**WANTED
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NEWS OF FIELD MEN**Stevens Heads S. F. Pond;
Plan for 1954 Grand Nest**

Jay W. Stevens, assistant manager of National Board at San Francisco, has been elected most loyal gander of San Francisco Blue Goose, succeeding John Park, General Adjustment Bureau. Mr. Stevens was M.L.G. 30 years ago.

It has been planned that men with California companies will be both the outgoing and incoming M.L.G.'s at the time of the 1954 grand nest meeting there. They are Boyd S. Chiles, Fireman's Fund, supervisor, and Francis F. Seitz, Pacific National, custodian.

The pond has already organized its convention committees. John W. Park, General Adjustment Bureau, is general chairman and Frank C. Colridge, Pacific Board, vice-chairman.

Honor St. Louis Old-Timers

The St. Louis Blue Goose staged an "old timers day" at its luncheon meeting Oct. 13. Life memberships were presented to Paul W. Terry, Missouri Inspection Bureau, who was most loyal gander in 1922-23; Raymond W. Smith, recently retired by Aetna Fire, a member of the pond for more than 20 years, and most loyal gander in 1925-26, and Fred G. Fuessel, Jr., Globe & Rutgers, who has passed the 70-year-old mark, as has Mr. Terry, and a member of the pond for more than 20 years.

Several charter members of the pond, which held its first election in 1915, were honored at the gathering, being seated at special tables.

Seattle Wins Golf Trophy

Seattle Blue Goose defeated the British Columbia pond 38 to 34 in its home and home annual golf series at Vancouver. As a result, Seattle won possession of the A. Z. DeLong trophy.

Individual prizes also went to William Fulton of Washington General Agency, Seattle, who had low gross with 75, and Henry Price of Gould & Gould, taking low net with 68.

Joins Commercial Union

Commercial Union group has appointed Robert Kennedy special agent in southeast Texas. He will be associated with O. E. Finlay at 4500 Montrose boulevard, Houston.

Mr. Kennedy is a graduate of north Texas state college at Denton. He joined Commercial Union after being with Texas Insurance Checking Office.

Ohioans See New Film

Ohio Fire Underwriters at the Oct. 14 meeting at Columbus, saw a showing of the new W. U. A. film, "I Take Risks." Walter G. Dithmer, assistant manager of W. U. A., was in charge of the presentation.

New Del. Office Opened

American has opened a new field office at Dover, Del., to service the Delaware and Maryland eastern shore area.

Special Agent Robert A. Sheppard will be in charge of the new office under the general supervision of Special Agent Victor L. Pitchford in Baltimore. Mr. Sheppard served in New Jersey as a special agent and more recently has been at Baltimore.

Washington F.U.A. Active

Washington Fire Underwriters Assn. has a busy program for this fall. Martin Easterday, National Union, and Alvin C. Tregoning, Security of New Haven, conducted a meeting for the Lions Club at Poulsbo and showed the film, "Tony Learns About Fire."

On Oct. 7 the association sponsored an inspection of Ellensburg jointly with Inland Empire Fire Underwriters Assn.

J. W. Stevens, National Board, San Francisco, spoke.

Five teams will visit Everett, Mount Vernon and Bellingham; Port Angeles, Bremerton and Kirkland; Aberdeen-Hoquiam, Olympia and Tacoma; Chehalis-Centralia, Longview-Kelso and Vancouver; Yakima, Ellensburg and Wenatchee, Nov. 18-20 on an educational tour.

**Maxwell Ind. State Agent
For N. Y. Underwriters**

Robert B. Maxwell has been named New York Underwriters state agent for western Indiana, with headquarters at Indianapolis, succeeding Byron Gray, who resigned. Mr. Maxwell has a fire protection degree from Illinois Institute of Technology.

F. Dudley Brundage, succeeds Mr. Maxwell as state agent for Iowa, with headquarters at Des Moines.

Bruce Succeeds Witmeyer

Special Agent Donald M. Witmeyer, who has been supervising eastern New York for Security of New Haven, is being transferred to the home office. Gaylord E. Bruce will succeed him as special agent at Albany.

Mr. Bruce attended New Haven College and University of Connecticut, served in the air force and joined Security at the home office in 1949.

Ehrlich Is Ill. Associate

An item in last week's issue reporting that Pacific National Fire has appointed Oscar M. Ehrlich state agent for Illinois, should have stated that he will be associate state agent along with J. G. Thumley, who has been Illinois state agent.

Mountain Club State

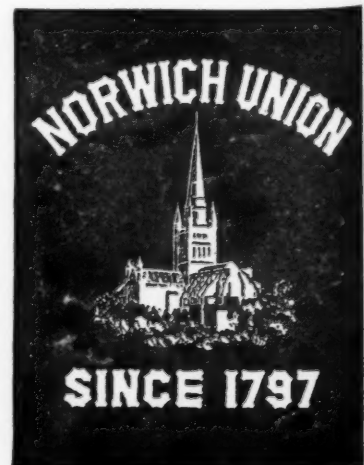
Mountain Insurance Field Club will hold its annual meeting Oct. 20 at Manchester, N. H. The nominating committee has brought in the following slate of officers for action then: president, William A. Clay; vice-president, George W. Hazel; treasurer, Lawrence E. Billings, and secretary, Warren L. Wright.

Hear Talks on Education

Aspects of insurance education will be described at the Oct. 20 meeting of Stock Fire Insurance Speakers Assn. of Ohio at Columbus, by John S. Bickley, associate professor of insurance at Ohio State University; E. S. Overman, insurance instructor at O.S.U., and Walter B. Wheeler, director of field services of American College of Life Underwriters.

Brannan Succeeds Gaines

R. F. Gaines has resigned as special agent in the Sacramento Valley territory.



tory for open his to, Cal. E. R. I. He has h and local

New M

Maume at Toledo Robert H. succeeding Bowen C. McCrory, Paul M. meeting a

"Vocat

Michigan has sche Oct. 24 a is primary meeting, a share fire L. Strong ing educa will presi Speaker president Financing panies, David M. in the uni ing of the Assn. firm

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**C.P.C.U.
Industr**

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Christi adver from ucts accou AR

tory for Phoenix of London, and will open his own local agency at Sacramento, Cal.

E. R. Brannan succeeds Mr. Gaines. He has had a background of company and local agency experience

New Maumee Valley Officers

Maumee Valley puddle of Blue Goose at Toledo has elected these officers: Robert Hill, John Tubbs Co., big toad, succeeding William Robbins, Welles-Bowen Co.; Robert McLain, Ohio Inspection Bureau, croaker; Patrick J. McCrory, Hartford Fire, pollywog, and Paul McBride, Western Adjustment, bouncer. The Ohio pond will hold a meeting at Toledo Nov. 11.

"Vocation Day" in Mich.

Michigan Fire Underwriters Assn. has scheduled a "vocation day" for Oct. 24 at Michigan State College. This is primarily a public relations committee meeting, and H. C. Pollock, New Hampshire Fire, is in general charge. Carl L. Strong, coordinator of the continuing education division of Michigan State, will preside.

Speakers will be Lester K. Kirk, vice-president of Standard Accident, on "The Financing of Stock Fire Casualty Companies," and Robert M. Rompf and David M. Potter, assistant professors in the university. There will be a showing of the new Western Underwriters Assn. film, "I Take Risks."

Hold Inspections in Tenn.

Tennessee Fire Prevention Assn. opened its fall inspections at Kingsport. A colorful parade featured Jack Garton as "the fifth horseman," John Peterson, Wesley Mantz, and Gilbert Jones as the "fire clowns." Their antics on an antiquated model fire engine attracted much attention. Richard E. Vernor, Western Actuarial Bureau, was the luncheon speaker.

Chattanooga will be inspected Nov. 18.

Montana Pond Activities

The annual meeting of Montana Blue Goose will be held next April at Helena, it was decided at the fall meeting that was held at Stagecoach Inn at West Yellowstone. There was a good attendance of members and wives, as the next day Montana Fire Underwriters Assn. held forth there. John Henry Martin of San Francisco, grand supervisor, was toastmaster at the banquet.

CHICAGO

C.P.C.U. Chapter Sponsors Industry Luncheon Oct. 30

Virgil W. Peterson, operating director of the Chicago Crime Commission, will be the speaker at the all-industry luncheon sponsored by the Chicago C.P.C.U. chapter to be held Oct. 30 at the Palmer House. It is anticipated that 1,000 agents and company executives will attend the affair, where new C.P.C.U. designees in the Chicago area will be honored.

The activities will open at 9:30 a.m. with three forums operating simultaneously. R. M. Babbitt, Jr., Joyce & Co.,

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will preside over the discussion of "Building Valuations." "Problems in Affording All-Risk Liability Insurance" will be considered with F. R. Miley, W. A. Alexander & Co., as chairman. Assisting him will be Calvin George and W. J. Ryan.

The third topic, "Employee Benefits" will be discussed by Alice M. Chellberg, American Mutual Alliance. Other participants will be Paul A. Hazard, Jr., and E. E. Mack, Jr.

Attendance is open to all branches of the industry, and the Chicago chapter is hopeful that sufficient interest will be displayed in the new seminar program to warrant its continuance.

EXAMINERS HEAR STOFFELS

Edgar O. Stoffels, president of the Chicago Board, Thursday is speaking on "Agent-Company Relations" at a dinner meeting of Assn. of Fire Insurance Examiners of Chicago.

TWO MOORE, CASE DIRECTORS

Charles T. Rothermel, Jr., and Arthur A. Noll have been elected directors of Moore, Case, Lyman & Hubbard, one of Chicago's oldest agencies.

NEW YORK

MUTARI HEADS BROOKLYN GROUP

Brooklyn Insurance Brokers Assn. has elected George J. Mutari, president; Ann Barkley Hargert, 1st vice-president; Harold Fleischer, 2d vice-president; James B. Manzi, 3d vice-president; Joseph A. Carbone, treasurer; Jerome Gerst, secretary; G. Robert Gunnersen, financial secretary.

The association's annual dinner dance will be held Nov. 26.

BROKERS ANNIVERSARY DINNER

The fifty-fourth anniversary dinner of Insurance Brokers Assn., of the State of New York will be held Nov. 19 at Hotel Astor, New York. John O. Cole of Despard & Co. is chairman of the dinner committee.

BROKERS SLATE NEUMANN

General Insurance Brokers Assn. of New York will have Joseph A. Neumann of New York City, a member of the executive committee of National Assn. of Insurance Agents, as guest speaker at its annual dinner Oct. 29.

Compensation Rate Raise of 5.8% Asked in N. C.

RALEIGH, N. C. — Compensation Rating & Inspection Bureau of North Carolina has proposed an increase averaging 5.8% in workmen's compensation rates effective Nov. 1 and Commissioner Cheek has set a public hearing for Oct. 29.

Frank Adkins, casualty actuary for the department, said the increase would amount to approximately \$662,000 annually on the basis of 1951 premiums slightly exceeding \$11 million.

The bureau renewed its request, denied last year, to lower the permissible loss ratio from 58 to 57, adding the 1% to the expense allowance.

The proposed increase is based on loss experience from August 1, 1948, through July 31, 1950, with some weight given subsequent experience through June 30, 1952. Mr. Adkins said losses in 1951 were running at 65.3%.

The proposed increases would be 2.6% for manufacturing risks, 4% for contracting risks, and 12.1% for all others. The first two are the largest covered classes in North Carolina. A 15% reduction is proposed in occupational disease rates.

National Board's Meeting

The 1953 annual meeting of National Board is to be held at the Hotel Commodore, New York, May 14. This is two weeks ahead of the usual time for this meeting.



THE WILL TO SERVE

It is an obvious truism that "The Will to Serve" must precede the action. Service, to be sure, is a word too often casually spoken. Yet to an insurance agent much of the success he may hope to attain depends upon the honesty and sincerity of the service he receives from the company he represents.

The spirit of helpfulness—a desire to do something more than "just enough"—to constructively assist you with your day-by-day problems, distinguishes a good from an ordinary company, to have handle your business. Unless it is present, the meaning of service can never be fulfilled.

The seven Fire and two Casualty Companies of the Commercial Union-Ocean Group strive to render their agents the kind of service that, backed by the other essentials of Integrity, Financial Strength and Efficient Modern Methods, enables them to build successfully.

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EDITORIAL COMMENT

Thoughts on Casualty Capacity

In view of the circumstances, it has seemed odd that there has not been more discussion of a shortage of capacity in the casualty insurance market. Premiums have increased several hundred millions of dollars in two years, with more coming, as a result of increased rates and modern financial responsibility laws in additional territories.

Yet apparently capacity per se does not worry the casualty insurers. Many a casualty company has had to restrict the amount of automobile business it is writing, or put a ceiling on the amount of increase; some companies have reduced their commitments in an agency or eliminate them altogether because of the unfortunate experience or squeeze on capacity; certain areas have proved disastrous to some insurers, and there such companies have had to curtail, and other underwriting precautions have been taken to meet other situations. The companies have been underwriting their way through a difficult period. No one would deny the individual insurer in these times the right to manage its affairs in any way it is convinced will bring it through a difficult period the most successfully. However, there is one general observation that seems appropriate to make, though perhaps it is a little late even now. This is, in brief, that those insurers which have elected, impelled by absolute necessity or simply by expediency, to cut down, withdraw, curtail and in other ways restrict their casualty writings are disinherit themselves, with the direct writers, perhaps all insurers not operating through the traditional agency route, picking up the business. When casualty lines again sweeten up, there is enough evidence in to show that the specialty companies, stock or mutual, will have the business, and it will be hard to take it away from them.

Perhaps this is what happens in critical times; it has happened to a degree on occasions in the past.

One method of meeting the problem with which the casualty insurer is faced today has been a disappointment to producers and insured. That is class underwriting, the rejection by the regular market of individual risks which were satisfactory but which fell in categories that have gone sour. Naturally, this concerns chiefly the commercial risk of some size. Here producers and insured hoped that the company would rely on its underwriting of individual risks rather than turning loose many profitable risks. The small premium, many unit risks such as private passenger automobile obviously

have to be rated as a class, but the question has been raised, are insurers that follow the practice being overly cautious when they begin to reject the larger risks by class?

Can't the individual commercial risk be cured by engineering, or, if not, turned loose? Isn't this true when the casualty business is producing a generally unfavorable result as well as when it is generally profitable?

One influence is the desire to make a good annual statement. If the pressure upward is too heavy from premiums, the insurer can by paring risks here and there, especially the larger ones, quickly adjust for annual statement purposes. This is hardly long range planning, though it may be that only the larger, tougher fibered companies can, as some of them have, pass this annual landmark without undue and sometimes unwise deferences to it. It should be said, however, that in present times, companies of lesser size can do it better than they could at other times because of the universal demand for the product.

Some old line companies are sweating it out, they are taking additional business, they are letting paper poor statements at year end stand. They are aware that beyond the present difficulties they will have the business, and have it "paid for" rather than having to go out and buy it over again.

Companies that are really squeezed on the money side probably have no choice in the matter. They can't sell stock. Their business is unprofitable, and they have to do the best they can. Small wonder that they turn to a high degree of selectivity, a policy the mutuals claim is inherent in their type of operation. This is not a criticism of the high degree of selectivity. There are highly regarded companies of both persuasions that have followed such a policy and have done very well. However, the policy is apparently most successful when it is followed consistently. It takes too long in the insurance business to get the pipe lines laid and filled to make quick changes.

Today any discussion of capacity in the casualty field is pretty much a discussion of capacity to take punishment. It is easy to tell those who are taking it to take more. But it is certainly reasonable to express the hope that where it is possible to do so companies plan for the future as well as taking care of the present so that in an era of good returns, when and if that ever comes, those companies that have done so well in the past will also do well in the days ahead.

PERSONAL SIDE OF THE BUSINESS

Richard T. Hilton, recently named special agent in Cuyahoga county, O., by Phoenix of Hartford, is the third generation of his family to travel in the field in the middle west. His grandfather, Joseph M. Hilton, traveled Illinois, Iowa and Wisconsin for many years as state agent for Sun, and for some years prior to that was assistant secretary of the old German of Freeport. His father, Walter B. Hilton, since 1914 has been in the Ohio territory. For 11 years he has been in the northeastern Ohio field as state agent for National Union.

J. H. Silversmith of J. H. Silversmith, Inc., general agents and managers of Denver, underwent surgery at General Rose hospital at Denver.

George H. Duffield, Jr., division underwriting manager for American Mutual Liability of Atlanta, is a member of the advanced management program in session at Harvard graduate school of business through Dec. 5. He is the only fire and casualty company representative in this session.

A. F. Lafrentz, president of American Surety, has been named chairman of the general insurance division in the 1952 fund raising drive of Travelers Aid Society of New York. Mr. Lafrentz joins 117 other business leaders in New York in helping to raise the 1952 goal of \$406,000.

John W. Cook, vice-president of F. D. Hirschberg & Co. agency, St. Louis, will observe his 50th anniversary with that agency Oct. 16. It will be celebrated with a cocktail party to which many of his associates, clients and friends have been invited. He went to St. Louis in 1902 after serving in the Spanish-American war and joined the Hirschberg agency as a personal producer. He became vice-president of the agency in 1926.

Charles H. Dent, methods research manager of Hardware Mutuals of Wisconsin, will discuss developments in office work measurement Oct. 16 at the office management conference of American Management Assn. in New York.

William D. Collins, former secretary of the Corroon & Reynolds group, is being welcomed back to the New York City insurance district by his many friends after a seven months' absence due to illness. He was hospitalized for four months.

Victor G. Henry of Kessler-Henry, Wichita, a past president of Kansas Assn. of Insurance Agents, and rural agents chairman of N.A.I.A., is now spending three to four hours a day at his office while recuperating from a heart attack. He expects to take it easy for some time yet.

Walter F. Moore is now on duty as assistant to Secretary Charles L. Day of North British & Mercantile, in the operation of the midwestern department at Chicago. He is assistant secretary and previously had been assistant in the central western department at the New York head office.

Winfield S. Allison, local agent at Gardner, Ill., observed his 91st birthday



Winfield S. Allison

Aug. 8, and celebrates his 75th anniversary of continuous representation and active service with America Fore on Oct. 22.

In 1877, Mr. Allison was appointed an agent for Phoenix of Brooklyn, which later merged with Fidelity Fire to form Fidelity-Phoenix. He opened his agency at Gardner at a time

when insurance men were essentially pioneers in the business. Today, together with his sons, Wade S. and John B., and his grandson, J. Phillip, son of Wade, Winfield Allison is still as active as ever in the supervision of his agency business, and hardly ever misses a day at his office.

This anniversary will be observed by America Fore with a dinner in his honor and formal presentation of an illuminated scroll signed by President Frank A. Christensen.

Besides being the leading banker and insurance agent of Gardner, Mr. Allison possesses one of the largest and rarest collection of stamps in the middle west.

Edmund Peters, who has been appointed director of the anti-racketeering bureau of St. Louis Chamber of Commerce, was formerly special agent in charge of the claims bureau of Assn. of Casualty & Surety Companies at Chicago. He was previously chief investigator for the anti-racketeering bureau.

Eugene A. Toale, who has just been made director of the educational and research division of National Assn. of Insurance Agents, was first associated with Continental, which he left to join the navy, where he served for five years. After discharge, he returned to Continental as underwriter in the automobile physical damage department. He later became senior underwriter for fire and casualty lines in New England when the physical damage department merged with the casualty to form the America Fore automobile department.

He was then with Fidelity & Casualty as supervisor and instructor in the educational division of the agency department.

Mr. Toale has taken an active part in C.P.C.U. affairs and has served in a coordination and advisory capacity at the Insurance Society of New York.

In the Sept. 25 edition, the impression was incorrectly given that E. D. Loring had just recently terminated his connection with Arizona Assn. of Insurance Agents as executive secretary. As a matter of fact, he resigned as secretary last October because that work conflicted with his position as executive secretary of Phoenix Assn. of Insurance



E. A. Toale

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Agents and the City Insurance Com-
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Arthur O'Connell, father of A. M. O'Connell, president Cincinnati Fire Underwriters Assn. and past president of Ohio Assn. of Insurance Agents, died at his son's home at Cincinnati. He was 74.

C. S. S. Miller, Jr., of the Chicago adjusting firm of Miller & Co. left last week aboard the Queen Mary for a few weeks' visit with aviation underwriters and other insurance people in London and on the continent. Mrs. Miller accompanied him.

E. B. Berkeley of Cleveland became a grandfather for the first time recently when a son, Bruce, was born to William Berkeley, a lieutenant colonel in the air force, Washington, D. C., and Mrs. Berkeley.

Percy Goodale, Jr., head of the re-insurance department of Stewart, Smith, Inc., New York City, is flying to London this week for a visit with underwriters.

DEATHS

W. J. McGETTIGAN, 65, vice-president and manager of the A. & H. de-



W. J. McGettigan

partment of Security Life & Accident, died unexpectedly at Denver. He entered the business in 1922 as an agent at Denver for Western National Life. He was also at one time with Federal Life & Casualty. He was one of the organizers of the old Continental Mutual Ins. Co., which later was reinsured in the company now known as Security L. & A. He was a graduate of Trinity College in Dublin and of Columbia University law school.

Mr. McGettigan delivered an address on substandard A. & H. at the 1952 H. & A. Conference annual meeting.

ALFRED S. GORMLEY, 64, Madison, Wis., adjuter, died of a heart attack while attending a football game. He had resided at Madison since 1924 and in recent years had been a per diem employe of Western Adjustment and also of General Adjustment Bureau. Mr. Gormley was author of a book, "Household Inventory."

MRS. CONVERSE D. WEST, who for many years was prominent in Chicago insurance circles as a reinsurance intermediary, died at the home of her sister at Milwaukee. Mrs. West was better known as Catherine Belcher. Her first husband was Rudolph Belcher, who was secretary of Western Insurance Bureau. Mr. Belcher taught his wife the reinsurance business, and upon his death she opened her own reinsurance agency in the Insurance Exchange build-

ing, Chicago. During the war the re-insurance market got very tight, and many of her foreign markets disappeared. One of the persons who had to close out his arrangement was Converse D. West, who at that time was with Eagle Star. Mrs. Belcher for a time was a fraternity house mother at the University of Wisconsin before she married Mr. West.

Mrs. Belcher was one of the most active members of Insurance Distaff Executives Assn. of Chicago.

SAMUEL FISHER, 52, of the engineering and inspection department of the Mill Mutuals Agency and Michigan Millers Mutual Fire at Lansing since 1945, died unexpectedly of a heart attack. He was head of the fire prevention bureau of the Lansing fire department for 25 years.

MILTON H. CILLEY, secretary of New Hampshire Fire, died in a Manchester hospital. He went with New Hampshire in 1920, was at the Portsmouth branch for 21 years and last year was transferred to the home office.

LUTHER W. HYLTON, 71, local agent and former mayor of Stuart, Va., died in a Danville, Va., hospital.

MRS. JOSEPHINE M. WETZEL, wife of Richard W. Wetzel, retired vice-president of Northern of New York died following a lengthy illness at her home at Dallas.

MISS FAYE L. DISCH, manager of the insurance department of Anchor Savings & Loan Assn., Madison, Wis., died at a hospital after a long illness.

HENRY GRADY, 62, local agent and village treasurer of Saukville, Wis., died at a hospital at Port Washington, Wis.

WILLIAM C. THOMAS, 38, local agent at Greensboro, N. C., died in a Charlotte, N. C., hotel room of a self-inflicted pistol wound.

J. D. SAMPSON, 52, local agent at Jackson, Miss., died there.

D. C. Agents Told About FTC Insurance Activities

WASHINGTON—Federal Trade Commission activities in the insurance field were outlined at the Oct. 10 meeting of District of Columbia Assn. of Insurance Agents by Henry Miller, FTC assistant general counsel in charge of industry cooperation. He said FTC has pursued a plan of collaboration and cooperation, and he described what he termed the chief accomplishments of FTC so far, the setting up of rules for mail order insurance and for the so-called auto pack.

President W. A. d'Espard said the legislative committee would contact D.C. Traffic Director Keneipp regarding auto proposals he discussed at the last association meeting. Mr. d'Espard added there is considerable dissatisfaction with the proposed unsatisfied judgment fund.

It was announced the association would participate in a TV program to explain increased Virginia rates.

Past President V. O. Schinnerer reported on the National association convention at Cleveland.

Study Wisconsin Taxes

Commissioner Lange has prepared an analysis of the Wisconsin system of insurance taxation, showing how it compares with levies of other states.

The survey was made at the request

of a legislative interim committee and the assumption is that the insurance laws may be simplified. The study shows that the state's taxing methods are complex and bear little relation to those of other states.

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THE NECKLACE THAT ENDED WITH PEARL SIXTEEN

A sixteenth pearl for her sixteenth birthday! Count on Dad to remember.

Giving him a thank-you kiss, Joyce placed the pearl on her dressing table. Tomorrow it would be added to her precious necklace.

The horn outside blared again, and Joyce raced down the stairs. Mustn't keep Pete and the others waiting. They were already late for the picnic.

As the car sped through familiar side streets, someone started singing "Happy Birthday." The rest quickly joined in.

Suddenly the song crashed to an end. Racing to beat a changing traffic signal, Pete had failed to see the other car at the intersection. He swerved, braked . . . but not in time.

On a dressing table in a girl's room lies a loose pearl . . . and a necklace that ended with Pearl Sixteen.

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Fidelity, Surety Losses Carry Lines into the Red

1952 Experience Shows Trends Continue Unabated With Record Loss Ratios

Companies writing fidelity and surety business are experiencing gradually deteriorating loss ratios. The scores of individual insurers differ considerably, but over-all the figures show that bank losses have been and are rising under the impact of spectacular losses, contract losses are up, and commercial business has been sour for two years.

In first half of 1952 these trends continued without abatement. The over-all ratio for all fidelity and surety business stands at its worst since 1932. Several insurers are in the red. The insurance expense exhibit showed that in 1950 ten companies had underwriting losses on fidelity (bank, commercial, forgery and public official) but in 1951 this number of underwriting losses increased to 25. Last year was the first since 1932 in which fidelity has shown a loss.

More Surety Red Ink

On surety, in 1950 there were nine companies that showed an underwriting loss, in 1951 there were 13. This branch excludes banks but includes contract, court and fiduciary, miscellaneous, etc. These figures are on an earned-incurred basis so that the teeter-totter of three-year term business in fidelity is averaged out.

The bank experience has been such as to prompt one underwriter to comment that after the first world war banks were robbed from the outside, but since the second war they are being robbed from the inside. It is noted that with bank losses, the experience of sureties reflects only insured amounts of loss.

There seems to be no general explanation for the gradual rise in the relation of experience to income in all the fidelity and surety lines except that the times have been unusual economically and the hazards greater. Certainly the trends point authoritatively to the increased need of bond protection in all fields. Experience has reached a point where underwriters hope the downward trend in rates will stop or even reverse.

Volume Rises Sharply

The growing need of bonds has been reflected in the sharply rising volume in all bond lines but particularly in surety, where the increase has come largely from contract, though all sub-lines in this category have shown increases. In 1948 fidelity earned premiums for stock companies entered in New York were \$41.1 million, in 1951, \$49 million; in surety these figures were \$57 million and \$89.6 million.

In the commercial field, credit unions have been especially bad this year. There have been several sizable losses and more are expected. This financial institution has been growing rapidly, and once started it tends to expand its operations to take in other activities, which increase the hazard. One such activity is cashing checks generally and not just as a part of lending activities. Where this is so, sureties are extremely reluctant to take the bond.

The big losses in banks continue in spite of the fact that controls exercised in that field are extensive and stringent

(CONTINUED ON PAGE 34)

Age Classification Plan Strongly Urged in Virginia

At the hearing before Virginia corporation commission on auto third party liability rate increase proposals, a battery of industry spokesmen appealed for the setting up in Virginia of the age group classification system which is used in most other states. Up to now Virginia has consistently rejected this plan. Under the filing a Richmond rate that is now \$34 would become \$49 for a class 2 risk and \$38 for a class 1. The proposals were taken under advisement. J. M. Cahill, secretary of National Bureau of Casualty Underwriters, said drivers under 25 in Virginia were involved in 28.8% of the accidents in 1951, although they comprise only 18.5% of the driving population.

A. E. Spottke, vice-president of Allstate, said the loss ratio among Virginia drivers under 25 was 99.5% during the past two years.

Farm Bureau Mutual Automobile had a loss ratio from 1949-51 in the young driver group of 179.5, whereas its over-all loss ratio was 79.3.

It was testified that about half of the requests for assigned risks during the past eight months was due to the fact that the insurers are shutting down on insuring young drivers.

William N. Day, executive secretary of Virginia Assn. of Insurance Agents, said the "tight market" on coverage for young drivers is the number one problem of insurance agents in the state today. A survey showed that 89% of the member agents have been having difficulty getting companies to approve any kind of automobile insurance and 75% said this was due mainly to the young driver situation.

Leon Edwards of Quantico said he hasn't been able to write a policy on a person under 25 in a year and a half and that four of his casualty companies had discontinued writing any automobile insurance through his agency. He said he approached 57 companies for representation and none of them would come in.

G. Wise Wescott, general manager of Automobile Club of Virginia, suggested that young drivers who go through a training course be written at the class 1 rate.

Plan Tex. O. L. & T. Revision

Casualty Commissioner Garland A. Smith of Texas sent a notice to the companies advising that B.I. rates for owners, landlords and tenants liability will be revised effective Nov. 15, and stating that no policy effective prior to Nov. 15 may be cancelled, endorsed or revised to avoid the changes.

C. W. Leftwich New President of Mutual Casualty Group

PHILADELPHIA — C. W. Leftwich, vice-president of Farm Bureau Mutual of Columbus, was elected president of Conference of Mutual Casualty Companies at the annual meeting here Monday morning. Carl Russell of Farmers Mutual Liability of Indianapolis is vice-president. Paul E. Buehler of Beacon Mutual Indemnity continues as secretary. Elected as new directors were Edward B. Rust of State Farm Mutual and Herbert C. Edward, Sr., president of Badger State Casualty. Robert Goode of Allied Mutual Casualty was chairman of the nominating committee.

Presentation to Hynes

John Hynes, Employers Mutual Casualty, the outgoing president, was presented a set of silver knives in behalf of the group by W. C. Searl of Auto-Owners.

Mr. Leftwich in responding to his election voiced the opinion that despite the fact there is no abatement in the accident frequency and no improvement on the score of severity, improved underwriting experience can be anticipated in the near future. The rates, he said, are more nearly adequate than they have been at any time since the Korean war.

Hogan Elected President of Constitution Life

LOS ANGELES—Frank D. Hogan has been elected president of Constitution Life Ins. to succeed Ross Bohannon. Dale R. Stillwell becomes secretary-treasurer, John MacArthur, chairman, and Maytor McKinley and Raymond H. Ossenbeck members of the board. In addition to Bohannon, W. S. Snowden, executive vice-president; Ralph Braiden, vice-president; Jennison Heaton, vice-president and director, and H. A. Reeve, secretary-treasurer and director of the board, are retiring.

The change is the result of the purchase of control of the company by Mr. MacArthur, who is head of Bankers Life & Casualty of Chicago, from Mr. Bohannon and his Texas associates.

Mr. Hogan joined Constitution last year. He was for two years with Lincoln National Life after his graduation from University of Iowa. Then with the Iowa department, and joined the California department in 1939 as field actuary.

Following a major operation at Sacred Heart Hospital, Spokane, Wash., Charles P. Carroll, vice-president of McGovern-Carroll Co., is now recuperating at his home.

Dorsett Urges "Fair Rates and Reasonable Profit"

Wants Insurance Studied in Same Light as Other Businesses

An appeal for "fair rates and a reasonable profit" for the casualty insurance business was made by J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies, in his talk before Insurance Federation of Minnesota at Minneapolis. He declared the casualty business is caught in a "multi-sided squeeze of rampant inflation, rising accident tolls, public misunderstanding, political pressures, socialistic trends, excessive claims and inadequate rates," which in 1951 resulted in a net underwriting loss for all lines.

The casualty companies have never made profits comparable to those of other industries, are providing insurance at prices far below other commodities, and are still required to operate under inadequate rates, Mr. Dorsett added.

Workmen's compensation insurance moved into the loss column several years ago and is still there, he remarked, adding the casualty companies are entitled to some sort of recognition for the miracle they performed by meeting legislative enactment of increasing benefits for employees and decreasing rates for employers in workmen's compensation at a time when prices for almost everything else have ascended to unprecedented heights.

Rates Down, Benefits Up

"From 1939 through 1951, benefits for workers increased 31.2%. In addition, as a result of the safety work the insurance companies and employers do together, fatal accidents decreased 31%, which certainly constitutes another form of benefit for workers and their families," Mr. Dorsett said. "At the same time, rates have been reduced 20%. By that I mean the employer is paying 20% less for the compensation insurance he is required to carry, for the protection of his workers, than before the second world war. If the rating value of the increased benefits is taken into consideration, the reduction in premium amounts to 39%. In other words, both employees and employers are far better off today as far as workmen's compensation insurance is concerned than before the war. One receives more benefits and the other pays much less for those benefits.

"But what about the casualty insurance companies—how big a piece of that juicy melon did they get? A mere sliver, by comparison, until 1950. Then even the sliver was taken away and replaced with more red ink. The companies' underwriting profit for the 10-year period 1940-1949 averaged 4.8%. In 1950 the companies showed an underwriting loss of 2.9% for their workmen's compensation business, and in 1951 the underwriting loss was approximately 5.4%. Available data indicates that there will also be an underwriting loss for 1952. I wonder if there is a business man in Minnesota or the 47 other states who would hesitate to increase the prices of his products or commodities sufficiently to assure a reasonable profit?"

From the facts and figures, Mr. Dorsett

(CONTINUED ON PAGE 35)



W. Stanley Kite, vice-president of Fire Association; Mrs. Kite; Mrs. Gustav May, Cincinnati; Miss Carol May, the Mays' daughter, and Mr. May seen at the casualty convention in White Sulphur.



Presentation of the trophy for local board activities made at the annual convention of Nebraska Assn. of Insurance Agents: From left, Paul Toombs, secretary, and Howard Kaplan, president, both of Insurers of Omaha, winning local board, and Herbert R. Walt, Lincoln, association past president, who made the presentation. Seated is G. Ben Joyce, Lincoln, outgoing president.

Health Commission Hears Proposals for Both Compulsory, Subsidized Programs

WASHINGTON—Advocates of compulsory health insurance made their appearance, though they were few in number and for the most part took a back seat, at the discussions and panel sessions here of the President's commission on the health needs of the nation.

At the forefront, however, were those favoring government subsidies for financing medical care.

The commission, which has until Dec. 29 to file its recommendations with the President, was told that voluntary prepayment methods are capable of financing medical care by representatives of the insurance business, American Medical Assn. and voluntary insurance plans.

Several witnesses took the opposite point of view. I. S. Falk, director of research and statistics for the social security administration, carried the compulsory banner, and his talk is reported elsewhere in this issue. Helen Hall, director of the New York City Henry street settlement, asserted that people build up a false sense of security from voluntary health insurance, believing they are covered "only to find there

is 'fine print' in the policy when an illness occurs."

John H. Miller, vice-president and actuary of Monarch Life, stated that voluntary health insurance has enjoyed tremendous growth in recent years, adding the prediction that these gains will be equalled in the future. There is no interference in the doctor-patient relationship under voluntary plans, he said.

While describing extension of broader health coverages to more persons as meritorious, Blue Cross and Blue Shield representatives stated that if this were immediately brought about it would seriously strain the present limited medical facilities.

Dr. George Baehr, president of Health Insurance Plan of Greater New York, and George W. Jacobson, general manager of Group Health Mutual, took the view that the broad variety of benefits required could not be provided under the insurance type of health plan. In place of the insurance type of prepayment, they favored the group health plan which exercises control over the medical services being offered. They based their reasoning on the idea that in some cases doctors and hospitals consider insurance as improving the ability of the patient to pay, and adjust charges accordingly.

Those favoring federal subsidies especially wanted them for the medically indigent and the unemployed. There were suggestions that these persons be cared for by insurers and health plans, with the government reimbursing them on a cost-plus basis.

One-Half in U. S. Covered

Several witnesses agreed that private hospitalization covers a large part of the U. S. population.

Edwin L. Crosby, M.D., joint commission on accreditation of hospitals, said that recent reports show that approximately one-half of the U. S. population is covered by some form of prepayment insurance for hospitalization.

Dr. Michael M. Davis, chairman of the commission for the nation's health, which has supported national compulsory health insurance, outlined five broad policies to meet needs, plus 15 specific proposals. He contended that "medical care for most of the American people should be financed primarily by the principle of insurance," but tax funds from local and federal government should "supplement insurance for special purposes and for certain groups."

"Health insurance plans should be primarily on a non-profit basis," said Dr. Davis, though he wouldn't deny "commercial health insurance a place." He said that "for most of the American people, health insurance should be required by national law."

Has "Immediate" Proposals

Dr. Davis' "immediate" proposals included "assistance by national and state legislation, and by voluntary action, for health insurance plans offering comprehensive services, especially when accompanied by group medical practice."

He also recommended extension of OASI to include financing of short-term hospital care for its beneficiaries. National legislation to provide medical care of migratory labor and active health service policies on the part of organized labor.

E. A. Steenwyk of Philadelphia's Blue Cross plan said those covered by prepaid plans could obtain lower rates but for the fact that they have to "carry" part of the cost of care of indigent persons inadequately financed through public assistance. Under existing conditions, he said voluntary plans have maintained the hospitals for the past decade.

Nelson H. Cruikshank, AFL social insurance specialist on leave to the mutual security agency, spoke for a "nation-wide system of insurance" as "the only economical and fair solution to the problems of financing medical care for all the American people."



PLAY SAFE! DRIVE CAREFULLY

A careless pass can result in a serious loss — on the Gridiron, a game — on the Highway, a life.

Play the game fairly — sportsmanship is as important on the road as it is in the stadium.

Remember — accidents don't always happen to the other fellow. Enjoy the game!... and live to see another!

DRIVE SAFELY! DRIVE SENSIBLY!



It's Wise to Centralize

CENTRAL SURETY AND INSURANCE CORPORATION

R. E. McGINNIS, President

HOME OFFICE KANSAS CITY, MISSOURI

More Claim A dations talk by Woodmen tral Life. nized as the A. & ence ag attitude achieved that the grow going al year, wit year in ments to its; but tortoise a ness "can matter ho Those be acute their bus challenge pre-pay medical particular the inter doctor o company said it is with this the bene tioned al are invo surance, trophe co

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A. & H. Men Can't Be Complacent About Gains: Faulkner

More than 90 members of Chicago Claim Assn. overflowed the accommodations at the Palmer House to hear a talk by E. J. Faulkner, president of Woodmen Accident and Woodmen Central Life. Mr. Faulkner, who is recognized as one of the ablest speakers in the A. & H. business, warned his audience against assuming a complacent attitude about the accomplishments achieved in the A. & H. field. He said that there is a reason for real pride in the growth of premium volume, which is going ahead at a rate of about 22% a year, with new records being set each year in the volume of business, payments to policyholders, assets, and profits; but he also cited the moral of the tortoise and the hare fable that the business "can't afford to be complacent no matter how good it is."

Those in the A. & H. field ought to be acutely aware of the problems of their business, he said, mentioning the challenge and the opportunity of making pre-payment for hospitalization and medical care effective. Claim men in particular can hardly be complacent at the interjection of a third party (the doctor or the hospital) between the company and the insured. Mr. Faulkner said it is the claim man who must deal with this situation and help solve it to the benefit of the business. He mentioned also the problems the companies are involved with in writing polio insurance, blanket medical and catastrophe coverage.

Coverages More Involved Today

With the more involved coverages being sold today, the claim man must have more tact, more ingenuity and more knowledge of insurance than was the case only a few years ago when loss of time protection was about the only thing on the market.

The public has a better consciousness of insurance and is more aware of how it operates. This, combined with the narrower expense margins the companies must operate under, means that the techniques must be sharpened up, Mr. Faulkner asserted. Every member of a company organization must contribute to its effectiveness and economical operation.

In the public relations field, he urged thinking in "big terms." He told the claim men they should be aware that their work is assuming the status of a profession. Every claim carries with it a part of the burden of the entire A. & H. business, he said. Claim settlement is an art, not a science, Mr. Faulkner remarked, characterizing it as an adjustment between people, calling for imagination and ability on the part of the claim man to see the other person's point of view.

"Within the bounds of a policy contract, the policyholder must be satisfied," he declared.

Better Claim Training Needed

Despite all the responsibility resting on the claim departments, that is the most neglected end of the A. & H. business, especially as to training, the speaker stated. Management ought to recognize that training and attention in the claim end is as important as training and attention to the underwriting and sales end, he added, saying that "the measure of accomplishment is policyholder satisfaction."

The claim man is often tempted to second-guess the agent or the underwriter, but this must be held in check in favor of a sympathetic attitude. Mr. Faulkner said that sales don't grow on trees and the claim man who is ready to point the accusing finger at the agent or underwriter ought rather to remember that the proper attitude in settling a claim not only helps the agent, but helps sell more A. & H. insurance through the private enterprise system.

Mr. Faulkner was accompanied to the meeting by C. O. Pauley, managing director of H. & A. Underwriters Conference, and the founder of the Chicago Claim Assn. Mr. Faulkner, referring to Mr. Pauley as the "senior statesman" of the A. & H. business, was profuse in praising his contributions to the business.

Blair Hiser, United, the association president, conducted the meeting and introduced Mr. Faulkner. He announced that the Christmas party will be Dec. 10, and appointed Wallace Graham, Hooper-Holmes Bureau, as chairman of arrangements.

Luckham Resigns Company Post for Law Practice

Donald R. Luckham, vice-president and general counsel of Beneficial Standard Life, has resigned and will enter private practice of law, specializing in administrative and insurance law.

Mr. Luckham was with the California department for more than a decade, as assistant to the chief of the compliance and legal division. He resigned from the department in 1949 to go with Beneficial Standard.

He served on the committee that helped frame changes in disability policies that would meet with approval of both the department and the industry. He participated in the long drawn out hearings held by the then Commissioner Caminetti that resulted in the legislative enactment eliminating chapter 9 companies and the substitution of chapter 9A companies.

Arlon W. Jennison has opened an agency at Nashua, N. H. He was formerly with the Leo B. Dowd agency, the Archie Slawsky agency and Mutual Benefit Life.



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Tells Jurors Insurance Is Out of Their Province

A Maine judge discharged a juror in an automobile accident case who tried to determine whether or not insurance was involved.

Superior Judge Webber at Bangor instructed the other jurors that the existence of insurance does not properly come under their consideration. Judge Webber declared a mistrial in the accident case of Mr. and Mrs. Earl L. McPherson against Ernest E. Hersey, Jr., after dismissing the juror.

In his remarks to the other jurors, Judge Webber said, "We are not here to distribute the wealth. We decide in this court who is right and who is wrong, rich or poor, and if we depart from this standard we cease to be a court." He said jurors should "forget about insurance companies" in considering cases.

Pierce County Insurance Assn. sponsored a booth, featuring traffic safety, at the western Washington fair at Puyallup. Members of Tacoma Assn. of Insurance Women helped in the booth.

CCC Calls on Surety People for Assistance

WASHINGTON — The Commodity Credit Corp. has called in surety interests for advice on how to protect products the CCC stores from loss and theft, and also with a view to securing reduction of premiums on performance bonds.

Recently, a surety group conferred with CCC officials, at the latter's request. They were Martin Lewis and Elmer Anderson of Surety Assn. and Howard Starling, Washington representative of Assn. of Casualty & Surety Companies.

The department and CCC have been preparing a program aimed to eliminate possible shortages, theft, diversion or loss in connection with their activities in grain — purchase, storage, loans, etc.

The Agricultural Department-CCC grain operations have been subject of congressional investigation and criticism. Losses suffered by the government in that connection have been charged by Senators to total millions of dollars through diversion of stored grain, its sale by officials, etc. Secretary of Agriculture Brannan has pointed to some recoveries and insists the loss does not exceed \$1 million.

Mr. Wirin of CCC said department officials suggested a "package deal" to the surety committee which would call for reduction of certain premiums on performance bonds for operators of warehouses in which are stored CCC-owned commodities or those in which it has an interest as loan collateral.

The point was made that surety rates are based on an industry manual prepared many years ago, and that conditions have changed meanwhile, warranting premium reduction with respect to some commodities.

Representatives of various CCC divisions or sections concerned with lending and storage operations with respect to staple commodities such as cotton, tobacco, grain, etc., attended the conference and explained methods, procedures, policies used at the present time in the policing of warehousemen, warehouse inspection, etc., Wirin said. These officials are responsible for instructions to CCC field officers. New methods, procedures, etc., were discussed.

On the basis of these presentations,

Wirin said, Surety Assn. was asked to review present rates on warehousemen's performance bonds.

The surety representatives promised to consider the matter and report back to the department, but no deadline was set.

Revise Installment Sales Insurance Proposal in N. Y.

A revision of the proposed amendment to regulation 27 pertaining to insurance issued in New York in connection with installment sales of personal property or where personal property is security for a loan, has been drafted following a hearing at which company representatives offered a number of suggested changes to the original proposed amendment. The latest revision, according to S. F. Murphy, deputy superintendent, is similar to the earlier draft in that it applies to all classes of personal property. At present, regulation 27 only covers insurance on financed automobiles.

Separate Property Cover

Under the new proposal, insurance on property is handled separately from life and A. & H. insurance. In addition, the revised amendment contains a provision to permit the New York department to suspend or modify the regulation to avoid hardship in certain classes of property insurance.

The most important change was made in section B of the proposed amendment which has been rewritten to include some of the language in the present regulation 27, except that it has been broadened to apply to all borrowers or purchasers.

The provisions pertaining to the disposal of rate refunds on group credit life which were included in the original amendment have been dropped. Mr. Murphy said the department is continuing to explore the problem and is considering the possibility of recommending legislation or taking independent administrative action. The department feels that lenders or sellers should not profit on group insurance paid for by borrowers or purchasers.

A hearing on the revised amendment will be held in the New York city office of the department on Oct. 28. Mr. Murphy will preside.

Ralph Ferrey has bought the interest of his late partner, Elmer Bump, in the Bump & Ferrey agency at Columbia City, Ind.

3

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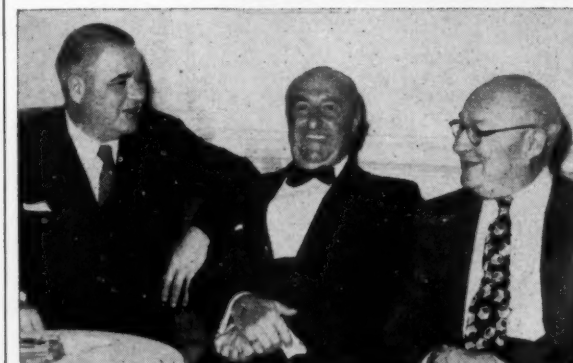
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Fred V. Griffith, Jr., Kansas City; Ray McGinnis, Central Surety, and Mrs. Griffith at the annual casualty company-agency cocktail party in the Greenbrier, White Sulphur Springs, W. Va.



Henry Young, Washington, D. C.; Walter Halla, Detroit; and Wheaton Williams, Minneapolis, at the annual casualty convention in White Sulphur Springs.

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Miss. and Wyo. Get the New Bureau Auto Rates

New automobile liability insurance rates are now in effect for Mississippi and certain areas of Wyoming as part of the National Bureau of Casualty Underwriters' campaign to bring rates into line with the current accident frequency and cost of claims.

In Mississippi, for most private passenger cars in the 23 counties in territory 4, rates for B.I. and P.D.L. combined either remain unchanged or are reduced as much as \$4, but rates for the smaller number of cars with operators under 25 years of age are increased \$4. For private passenger cars elsewhere in the state, the revisions result in rate increases ranging from a minimum of \$2 to a maximum of \$20. For most commercial cars in Vicksburg and Meridian and their vicinities and also in the four counties in territory 2 and the 23 counties in territory 4, there are reductions in the combined B.I. and P.D.L. rates, and these range from \$2 to \$8. Elsewhere rates for commercial cars are higher, the increases ranging from a minimum of \$2 to a maximum of \$16.

Only the Cheyenne and Casper rates were changed in Wyoming, the revisions resulting in rate increases for private passenger cars ranging from a minimum of \$2.50 to a maximum of \$6.50 for B.I. and P.D.L. combined. Rates for commercial cars are not affected.



Seated, Mrs. Manning W. Heard and Mrs. Frank McVicar, wives of the Hartford Accident officials; standing, Mr. Heard and W. T. Harper of Maryland Casualty, at White Sulphur.

Agents Conduct N.Y. Poll on Tightening Traffic Laws

Directors of New York Assn. of Insurance Agents have voted to launch a public opinion poll to determine the public's attitude toward more rigid laws to control the increasing flow of traffic in the state.

Emil T. Clauss, Buffalo, association president, said the agents are confident that the public will "overwhelmingly support the strengthening of traffic laws and licensing, and that such a finding will strengthen the hand of local and state officials in the administration of existing laws and be a guide to legislators in consideration of new laws to curtail the needless personal and economic losses now being sustained."

Agency Questionnaires

The agents will mail a survey card to each of their automobile policyholders, and the agents will tabulate their own replies, sending the results to the state association headquarters. It is expected that results will be announced by Nov. 30.

Five questions will be asked the automobile policyholders: Should laws be strengthened and fines increased? Should licenses be revoked of drivers who cause personal injuries after one, two or three accidents? Should li-

censing laws be more thorough? Should there be periodic reexamination of drivers, and periodic reexamination of automobiles?

Cal. C. of C. Finds F. R. Preferable to Compulsory

California Chamber of Commerce has put out a letter comparing the merits of compulsory automobile insurance with enactment of financial responsibility laws, in which the chamber opposes the compulsory idea, citing the experience in Massachusetts. Experience in

New York with the financial responsibility law, according to the chamber, clearly shows "a more comprehensive and sound answer to the problem of the uninsured and the financially irresponsible motorist." The chamber adds that increasing emphasis must be placed upon accident prevention, noting that the uncompensated victim of an automobile accident is only one result of the situation.

Sidney Fosshage has purchased the interest of George D. Richardson in the Fosshage & Richardson agency, Broadhead, Wis., and will continue the business under his name.

City Buys "Comp" Cover

The Battle Creek, Mich., city commission has decided to purchase workmen's compensation coverage for all city employees, accepting the bid of Auto Owners of Lansing, submitted through the Worgess agency.

In the past the city has self-insured the compensation risk to a great extent, carrying only a minimum coverage with the state fund. A study revealed that self-insurance costs, plus the premium on the small policy, amounted to the equivalent of the premium for complete protection, commissioners were told.

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ACCIDENT AND HEALTH

Bars Blue Cross Contracts in Ia. City, County Hospitals

DES MOINES — The Iowa attorney general has held that city-owned or county hospitals have no legal authority to enter into hospital service contracts with Blue Cross organizations. Fredric Lattner, executive director of Hospital Services, Inc., of Des Moines challenged the opinion and announced his group would welcome a test court case.

Hospital Services, Inc., has contracts with county and municipal hospitals in 73 Iowa counties. Associated Hospitals, Inc., Sioux City, has contracts in the other 26 Iowa counties. Together they handle more than 650,000 Blue Cross memberships in the state.

The opinion had been requested by the Hamilton county public hospital board of trustees at Webster City after Cecil Johnson, an attorney there, challenged the right of the board to sign a hospital contract. He also argued that the hospital was, in effect, giving preferential rate considerations to holders of Blue Cross hospitalization policies.

Mr. Lattner said he knew of no Iowa

hospital which had preferential rates.

The attorney general's opinion declared that the powers of public hospital trustees are only those "expressly granted or implied" under the Iowa law and that the Iowa code does not give trustees the authority to enter into contracts with corporations selling Blue Cross services. Mr. Lattner, however, declared that the state law for hospital service corporations gives the corporations the right to enter into contracts with hospitals maintained and operated by the state or any of its political subdivisions. He said after learning of the opinion that the big question will be whether present contracts between his corporation and the many Iowa hospitals are still in effect.

A. & H. Tax Data Booklet

The National Underwriter Co., Cincinnati, has reprinted in folder form the bulletin of "Answers to 20 Questions about Federal Income Tax Laws," as applied to A. & H. insurance, which appears in the sales service of the Accident & Health Bulletins. The answers are "basic," having been prepared with

the aid of information from the bureau of Internal Revenue. Although they are not intended to be definite rulings on any of the questions, they represent the usual application of tax requirements of the bureau.

Speakers Listed for Cal.

A. & H. Managers Meeting

Speakers for the meeting of California Assn. of A. & H. Managers Clubs, scheduled for Oct. 31 at San Francisco, have been announced by D. M. Brovan, Mutual Benefit H. & A., president of the organization.

They will include John G. Galloway, Provident L. & A., Birmingham, president of International Assn. of A. & H. Underwriters, on "The Ten Golden Words"; Robert E. Little, general agent for Paul Revere Life and Massachusetts Protective and president of San Francisco A. & H. Assn.; Milton L. Rose, Paul Revere and Massachusetts Protective, president of A. & H. Managers Club of Los Angeles, and Thomas W. Cordry, Jr., employe welfare consultant of San Francisco, on "New Markets for Personal A. & H. Insurance."

Mr. Cordry is welfare employe consultant for such major organizations as California Metal Trades Assn., California State Brewers Institute, California Wine Assn. and many others. He has served on the federal mediation and conciliation service arbitration panel for collective bargaining on health and welfare and pension plans and has assisted in installing many such plans.

Little New S. F. President

Robert A. Little, general agent at San Francisco of Paul Revere Life and Massachusetts Protective, is the new president of San Francisco A. & H. Underwriters Assn. He succeeds Moody Lyttle, Security Life & Accident, Oakland.

Other officers, installed at a joint meeting of the association and San Francisco A. & H. Managers Assn., are: William A. Miller, Massachusetts Bonding, vice-president; Elizabeth Gregersen, Ocean Accident, secretary-treasurer. The new executive committee consists of Louis Hirschorn, United; Sam T. Breyer, General Accident, and Mr. Lyttle.

Davis San Antonio Speaker

San Antonio Assn. of A. & H. Underwriters heard Bond Davis of Boyle, Wheeler, Gresham & Davis, attorneys for American Hospital & Life, speak on "Claim Settlement and an Autopsy."

School accident insurance is being made available to pupils and teachers at Aliquippa, Pa., through Colonial Life & Accident of Columbia, S. C. The cost is \$1.25 a year and the school superintendent states that the Aliquippa school district is not acting as an agent for the insurer, nor does it urge parents to buy this policy but offers an opportunity to do so if they so desire.

S. L. Horman, vice-president of Time, Milwaukee, spoke on "Objective Selling" as guest speaker at the windup of a special sales course conducted by Michigan State College at Lansing.

Appoint Wash. Committees

President Matt F. Maury of Washington Assn. of Insurance Agents has announced his committee appointments. Chairmen are: Casualty contact, Thomas A. Harman, Seattle; educational, LeRoy Hunter, Seattle; fire contact, Lynn M. Latta, Yakima; fire prevention, L. H. McFadgen, Longview; legislative, Virgil R. Lee, Chehalis, and Ed Munro, Seattle; membership, G. O. Moen, Jr., Mt. Vernon, and Clifford F. Couey, Spokane; rural agents, B. A. Slausenhaupt, Jr., Chelan; traffic safety, Al J. Erdman, Vancouver; workmen's compensation, John L. Warne, Seattle.

ASSOCIATIONS

Davis, Vorys Ohio Speakers

Ohio Assn. of Casualty & Surety Managers will hold its first fall meeting Oct. 20 at Columbus. Roy L. Davis, Chicago, manager of Assn. of Casualty & Surety Companies, will speak, as will Arthur I. Vorys, counsel for the association.

Sennott Boston President

Assn. of Casualty Underwriters of Boston at its annual dinner meeting elected Edward F. Sennott, U. S. F. & G., president.

The new vice-president is William F. Doran, Home Indemnity. Max W. Bean, Fairfield & Ellis, is secretary, and John J. Kelly, American Automobile, treasurer.

Hear Attorneys at Chicago

Casualty Adjusters Assn. of Chicago held a joint dinner meeting with Society of Trial Lawyers of Chicago, at which three Chicago attorneys discussed investigations before, during and after the trial.

Speakers were Erwin W. Roemer, John W. Costello, and Kenneth B. Hawkins.

Smith Cincinnati Secretary

Frank H. Smith, Aetna Casualty, has been appointed secretary of Assn. of Casualty & Surety Managers of Cincinnati. He replaces Jack Baker, who has gone on active duty with the army.

James C. O'Connor, executive editor, the Fire, Casualty & Surety Bulletins, outlined details of the preferred risk rating plan for automobile liability insurance in New York at the regular monthly meeting of the association. H. B. Hupp, U. S. F. & G., is president.

The Seattle joint casualty-surety golf party has been scheduled for Oct. 24 at Sand Point Golf Club. Stan Holbrook, John A. Whalley & Co., is chairman.

Day Lauds Aggressiveness of Ill. Insurance Leaders

Insurance Director Day of Illinois, in speaking at the banquet celebrating the fact that Continental Assurance had attained \$2 billion of life insurance in force, said that aggressiveness is what has made insurance in Illinois great. "We don't aspire to uniformity insurance-wise," he said, "and the record of the past 10 years shows what this gets us." During the past decade, he declared, insurance premiums of all kinds nationwide have increased 125%, whereas the premium increase of Illinois companies in that same period has been 350%.

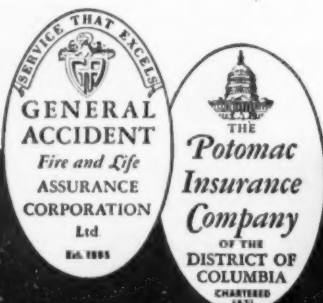
Francis T. Curran, group A. & H. manager of Loyalty Group, will speak at the Oct. 22 meeting of New York chapter of Special Libraries Assn.



T. A. Long, National of Hartford group, and J. Edward Cochran, Hagerstown, Md., squared off in the horseshoe match at the White Sulphur casualty meeting.

Insurance Companies *are doing* something about it

Through the Association of Casualty & Surety Companies, an institution maintained by 110 stock insurance companies, driver-education courses have been given to nearly 4,000,000 high school students. About 10,000 teachers of driver-education for schools and colleges have been trained, and a half-million copies of the Association's driver-education textbook, "Man and the Motor Car," have been distributed since 1942 and are now in use in approximately 6,000 high schools throughout the United States.



NO. 1 OF A SERIES

EXECUTIVE OFFICES
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CHANGES IN CASUALTY FIELD

United Pacific Appoints New S. F. Bond Manager

Joseph A. Wynne has been appointed manager of the fidelity and surety department of United Pacific's northern California divisional office at San Francisco.

Mr. Wynne has been with the Phoenix-London coast department at San Francisco as superintendent of the bonding department. He joined that group in 1946 at New York. Earlier he was with New Amsterdam Casualty and Maryland Casualty at St. Louis. He is a graduate of St. Louis University law school and served in the navy.

He succeeds Alfred O. Stuber, who has been manager of United Pacific's San Francisco fidelity and surety department since 1949, and who is being transferred to Tacoma. Mr. Stuber joined the company in 1947 as bond manager at Portland, Ore., going to San Francisco in 1949.

Lewis Lacy Goes to Tulsa Insurer as Secretary

Lewis Lacy is succeeding Mal Huntley as secretary of Standard of Tulsa. Mr. Huntley is joining the Huntley agency at Marysville, Cal.

Mr. Lacy started with the Moody interests at Galveston and has been with Houston Fire & Casualty and General of Texas as secretary. He has been manager of the Lumbermen's Insurance Agency and Lumbermen's Lloyds at Lufkin, Tex.

Amer. Mutual Promotes Two

American Mutual Liability has named Arnold J. Ziegler division sales manager and Walter B. Sinclair division service manager at Chicago. Mr. Ziegler joined American Mutual in 1940 in the Boston sales department. Mr. Sinclair started with Continental Casualty and was with Zurich before joining American Mutual 1944 at Chicago.

LaSalle Casualty Ups Slott

Richard D. Slott, vice-president of LaSalle Casualty of Chicago has been elected executive vice-president and secretary, succeeding Norman J. Schlossberg, resigned.

Mortimer M. Levin, a member of the Chicago law firm of Levin & Ressler, has been elected assistant secretary and general counsel.

Collins Asst. Claim Chief

Car & General has advanced John F. Collins to assistant superintendent of claims.

He has been with the company since 1929, as an investigator, and was later advanced to compensation and casualty claims examiner for countrywide business.

Earlier he was with the law firm of

Hawkins, Dalafeld & Longfellow, where he was engaged in trial preparation and defense litigation work for several years.

Hofmann, Biggs Advanced

Robert J. Hofmann has been appointed superintendent of the claims department in the Pacific Coast office of the Employers group, succeeding J. K.

Harrell, resigned. Randall Biggs has been appointed assistant superintendent to succeed him.

America Fore Promotes Mettalia at San Francisco

Charles A. Mettalia has been appointed agency superintendent of Fidelity & Casualty of the America Fore group at San Francisco.

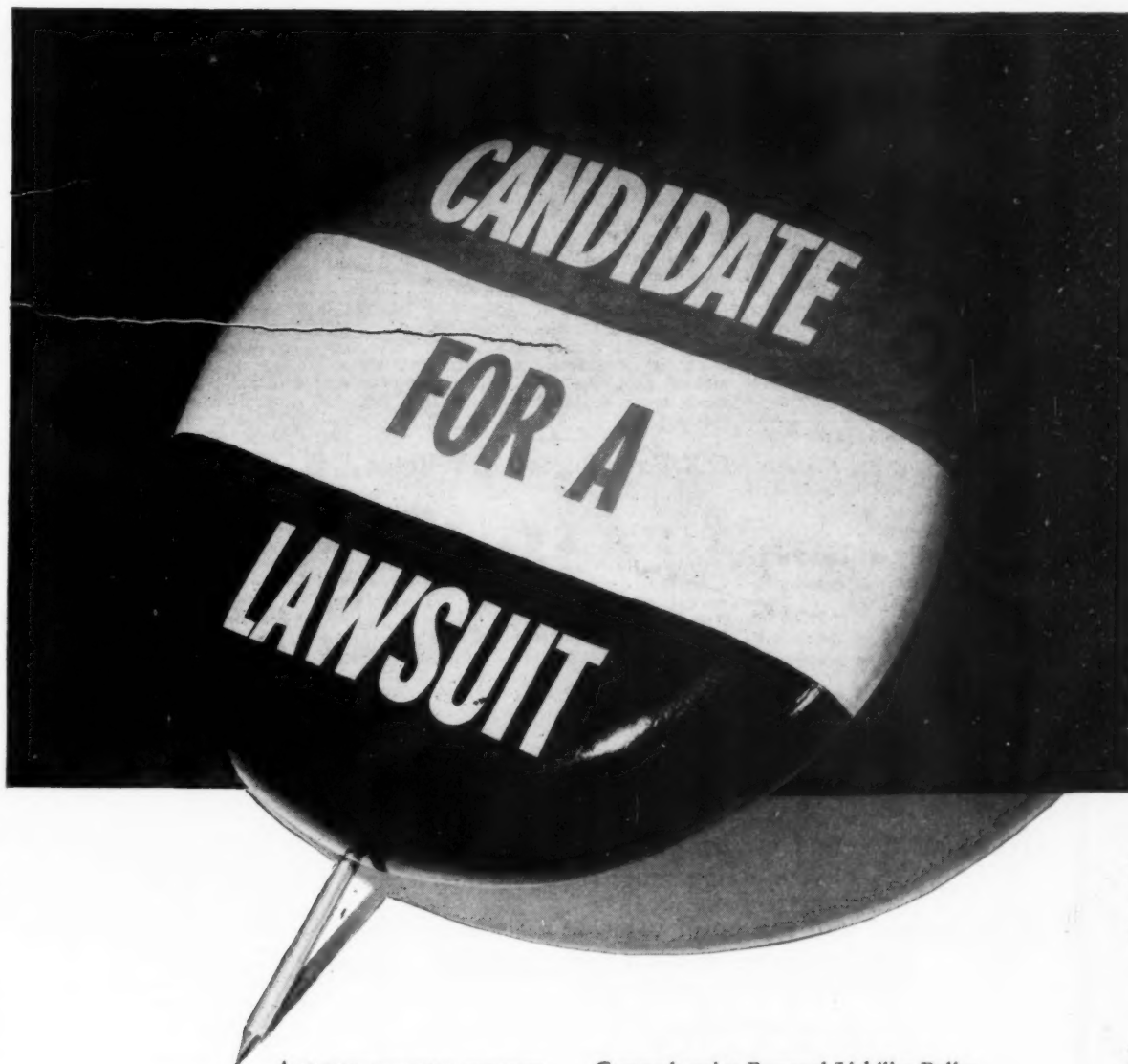
Mr. Mettalia joined America Fore at the home office in 1929, remaining there

until 1942 when he left for navy service. He rejoined the company at San Francisco in 1945.

Christensen Joins Maryland

Henry M. Christensen has been named special agent of Maryland Casualty in Illinois. He has been with National Fire group since 1950, and before that was with a general agency at Jackson, Mich., for two years. From 1942 to 1948, Mr. Christensen was with Bankers Indemnity at Chicago, and earlier was a Continental Casualty man.

"Unforeseen events . . . need not change and shape the course of man's affairs"



ANY MINUTE NOW, you may

be nominated to defend yourself against a damage claim. It only takes a simple thing to put your name up. Your guest slips on a rug. Your golf ball hits another player. Or your dog bites a neighbor.

Every day, liability claims for personal injuries or property damage cut into people's savings . . . attach their salaries . . . force them to mortgage their homes or other possessions. Don't you get elected to pay a five-figure claim. Protect yourself with The Maryland

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For as little as \$10 a year, this policy protects you in the countless everyday accidents which may involve you or any member of your family. All legitimate claims against you are paid. If you are sued, all legal and court expenses are paid as well.

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All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers

Here is the newest in the series of attention-getting advertisements designed to help Maryland agents and brokers sell more Personal Liability policies.



Paul Schroeder, St. Louis, and B. C. Vitt, president of American, discussing problems at the casualty convention in White Sulphur.

Tennessee Agents to Meet Next Week at Nashville

NASHVILLE—Tennessee Assn. of Insurance Agents expects a record attendance for its annual meeting here next week.

At the executive session Monday morning, a proposal will be considered to change the name to "Insurors of Tennessee." Officers will be elected at this session, with installation set for the banquet that evening. President Frank E. McGlaughon, Kingsport, will preside at all sessions.

Emphasis will be placed on automobile liability insurance. Ronald M. Streeter, associate director of Hartford Accident's training center, will speak on "Developments in the Comprehensive Liability Coverage." Emerson Westwick, accident prevention division of Assn. of Casualty & Surety companies, Chicago, on "Reducing Accidents Among Our Insured," and Joseph A. Neumann, N.A.I.A. executive committeeman, Jamaica, N. Y., on "Problems in the Casualty Field."

Commissioner Allen, who recently had to spend a few days in a local hospital, will speak at Tuesday morning. A feature that afternoon will be a panel discussion of agency management, led by T. K. Robinson, Memphis, chairman of the education committee, assisted by the five members of the state association who attended the agency management institute at University of Connecticut on scholarship awards: Leslie M. Bare, Jr., Knoxville; J. D. Clements, Knoxville; Ralph Deakins, Kingsport; Lewis McDonnell, Memphis, and Jack Frost, Clarksville.

Cherokee Ins. Co.'s award for the "insuror of the year" will be presented at the banquet.

State Farm Rally at Lincoln

Agents from four states attended seminars at the west central office of State Farm Mutual Automobile at Lincoln, Neb. Twelve home office representatives were on hand; and more than 750 were in attendance.

President R. P. Mecherle told of the first principle his father, G. J. Mecherle, the founder, believed in, "service to the policyholder" and said that in many instances a third generation of a family

is working for the company. Adlai Rust, executive vice-president, reviewed the company's financial status and plans for expansion.

Cites Three Failures in Public Relations Field

Jack Maguire, director of public relations of Texas Insurance Advisory Assn., addressed Insurance Women of Austin on the "Overall Public Relations Program."

He listed three ways in which fire and casualty insurance has failed in its public relations program. The first is the failure to realize that the people have no understanding of the different types of companies. He emphasized that most people buy from an agent without knowing whether they are insured in a reciprocal, Lloyds, mutual assessment company, or a stock company.

Don't Keep Pace With Changes

The second point he cited was the failure to keep pace with changes, resulting in neglect of the viewpoint of the buyer and the kind of insurance protection he desires. He regards this as the reason that many believe it would be well for the federal government to take over the insurance business.

The third failure is that of the companies and agents to realize how inextricably their interests are interwoven. He said companies and agents have come to some better understanding of mutual problems and are showing a much more cooperative spirit than in the past.

O.K. Farm Bureau N. Y. Rates

New B. I. and P. D. rates have been approved by the New York department for Farm Bureau Mutual. The overall rate increase is 22.1%.

Previously Farm Bureau Mutual had been 20% under National Bureau rates, except for young drivers. Effective Nov. 3, the new differentials will be 10% under bureau rates in Manhattan, Bronx and Brooklyn, 15% in Queens, suburban areas, Schenectady, Elmira, Rochester, Utica, Binghamton, Canandaigua, Geneva, Troy and rural areas in the central counties.

The filing did not include the preferred risk rating plan.



H. W. Raymond of Uniform Printing & Supply Co.; Mrs. John Pirkel, New York City; N. H. Wightman, Uniform Printing; Mr. Pirkel and Mrs. Wightman, seen at the White Sulphur casualty meeting.

Proposed Revision of Fla. Qualification Law Reviewed

More than 200 insurance people and automobile dealers met with Commissioner Larson of Florida at Tampa to go over a proposed revision of the agents qualification law. It would be part of the revised insurance code to be presented to the 1953 legislature.

No radical changes were outlined. The setting up of an examining board for the licensing of agents, which was unanimously approved at the annual meeting of Florida Assn. of Insurance Agents in June, did not even come up for discussion. In the proposed revised law, the power of licensing would remain with the commissioner.

Liveliest debate was led by the automobile dealers, who want to be permitted to write public liability in addition to physical damage insurance as at present. Agents objected strenuously to such a change.

The proposed code, as presented at Tampa, would prohibit a nonresident agent from going into the state to inspect risks or property. The agents suggested that this feature be liberalized to allow nonresidents to come in with the permission of a licensed agent, probably the counter-signing agent.

There was considerable discussion regarding a stricter anti-coercion bill. The agents would like such a measure brought up in the legislature as a separate bill so that it would have a chance of passing even if the revised code as a whole failed to make the grade. A former revised code failed of passage in the 1951 legislature.

Accompanying Commissioner Larson to Tampa were Deputies Rountree, Williams and Starr. Raymond W. Butler, Jr., Miami, attended as a member of the legislative committee of Florida Assn. of Insurance Agents, and representatives of Florida Inspection & Rating Bureau also were present.

Confer with Advisory Group

The Washington advisory committee met with representatives of Washington Assn. of Insurance Agents, Washington Fire Underwriters Assn. and Inland Empire Fire Underwriters Assn. at Seattle.

R. H. Griffith, Glens Falls, is chairman of the advisory committee. Other members of the committee on hand were John P. Breeden, Corroon & Reynolds, vice-chairman; J. L. Biglen, New York Underwriters; W. B. Miller, American; Richard Orlob, Atlas; J. C. Qualmann, Royal-Liverpool; W. G. Frazier and Lloyd H. Trantow, general agents.

The Washington agents were represented by the contact committee, Lynn M. Latta, Yakima, chairman; E. R. Bowden, Seattle; J. D. Powell, Tacoma; Jack M. Shipley, Spokane, and H. S. Wetherald, Wenatchee.

Washington F.U.A. was represented by Charles H. Flohr, Home; Richard

Davis, Hartford Fire, and M. C. Johnson, Phoenix-Connecticut, all of Seattle. Jack H. Sumner, Cravens, Dargan & Co., Spokane, represented the Inland Empire group.

Lea Heads Seattle Branch

Rainier National has appointed W. E. Lea manager of its Seattle branch office. Mr. Lea, who has supervision of western Washington and Yakima Valley, joined Rainier in 1946 as an underwriter, later becoming special agent. He graduated from University of Washington in 1941 and for years was with Atwell, Vogel & Sterling as an auditor and inspector. After two years in the army he was with United Pacific as an underwriter for six months before joining Rainier National.

New Claim Men Named

Creighton R. Lytle and James O. Shead, III, have joined Standard Accident at San Francisco as claim representatives. Walter J. Dunn has been added to the St. Louis staff in a similar capacity. All have much experience in adjusting.

N. M. Self-Insurance Rules

The New Mexico corporation commission has set up rules by which a truck or bus lines operating in the state may self-insure. Among the requirements are that quarterly financial reports be filed with the commission along with semi-annual certified reports of all unpaid claims.

Big Payment to Railroad

ST. PAUL—Largest payment ever received in a case involving a crossing accident is reported by the general offices of the Northern Pacific here. It has received drafts totaling \$54,000 from London Lloyds and Travelers in payment of a claim against Arrow Transportation Co., resulting from a passenger train-truck collision at a grade crossing at Byron, Wash., last January. The driver of an asphalt tank trailer tried to beat the train to the crossing and the insurers accepted responsibility for the collision, which derailed and damaged the eight-car train and injured several passengers and crew members.

Blood Bank Problems Told

Donald C. Hawkins, assistant secretary of St. Paul-Mercury Indemnity, spoke on "Medico-legal Problems in Blood Banking" at the annual meeting of American Assn. of Blood Banks at Milwaukee.

Writes Big Construction Bond

Krog & Edwards agency, Covington, Ky., has written a \$1,120,573 construction bond on a warehouse at the Gentile Air Force Depot, Dayton, O., in Peerless Casualty for Swan Construction Co., Cincinnati.

Multiple line underwriting calls for a review of your Reinsurance requirements.

Our trained staff can be of valuable assistance in helping to work out your problems.



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Agents, Insurers Review Current Casualty Problems

WHITE SULPHUR SPRINGS, W. VA.—One note of optimism was sounded for the casualty business by Wade Fetzer, Sr., of W. A. Alexander & Co., Chicago, at the joint annual meeting of National Assn. of Casualty & Surety Agents and National Assn. of Casualty & Surety Executives here. Mr. Fetzer, giving what he termed the views of an old-timer who had just marked his 53th year in the business at the convention, said there has never been a time when in some part of the country or in some line the business has not been going to hell in a fast boat.

J. Dewey Dorsett, manager of Assn. of Casualty & Surety Companies, emphasized that the big problem is automobile losses. The number one job is to secure enforcement of traffic safety measures. Much has been done, but much more must be done to arrest the trend if the casualty business as it is known today is to survive. He pointed out that if compulsory is adopted in a state, it is apt to spread, and the next step is insurance without profit.

Reasons for Optimism

Ellis H. Carson, president of National Surety, and active in affairs of the association, said he was not pessimistic. The efforts now being made, and in process for some months, to study all phases of the automobile and third party liability situation already have resulted in beneficial activity, such as the reduction in the calendar in the New York City courts. That particular activity and study showed the casualty insurers 99.44% on the right track and doing a splendid job.

All angles of adverse experience are being scrutinized. It is granted that rate increases do not constitute a whole solution to the problem. Accident prevention in itself is not enough. The accidents produce the losses, but it is attitudes that bring about the accidents. With respect to attitudes, it is becoming apparent that there is an obligation to educate the people as to what is the proper attitude toward the automobile they drive, the insurance that protects them, the lawyers that represent them, and the juries that judge them.

There has been discussion of a personal injury limit such as that on fatal accidents. He noted remarkable progress in the past two years in the rating approach under unprecedented conditions; for example, use of prospective experience. He thinks that the period of soul searching and study through which the business now is going will lead to better performance by the business all along the line.

Foreknowledge Is Important

Agents would like to be forewarned on new and unusual steps taken by companies either in rating or forms. E. R. Ledbetter of Oklahoma City commented. He cited the example of the \$50 wind storm deductible in Oklahoma. This was a surprise to agents and public, and the reaction of the press generally was against it. He noted that the casualty companies on one recent occasion took a different course. They prepared the way for their change by advance information. C. F. J. Harrington, executive secretary of the agents' group, who presided at the Wednesday discussion, noted that agents who can explain changes to the public in their domains need to have advance information if they are to do so. Rate changes must be handled tactfully.

Manning W. Heard, vice-president of Hartford Accident, said that the answer to the traffic accident problem must be found locally. One of the most serious problems is to secure the support of the public for enforcement by local authorities.

The answer has actually been known a long time, Mr. Dorsett pointed out. The association now is putting together a program for community use. These would

be printed up by the thousands and distributed to agents so that they could go to their local organizations and generate at the local level a program of know-how, with the aid of procedures spelled out in the association's material. These "blue prints" will be available shortly. However they should not be requested until the association makes its official announcement.

Demerit Plan Being Tested

Lyle S. McKown, Minneapolis, asked if companies feel the New York automobile demerit rating plan will do some good. John S. Love, Home Indemnity, said the plan still has to be tested.

Development of multiple peril package policies was discussed briefly by Herbert Stellwagen, vice-president of Indemnity of North America. He noted that the philosophy behind such packages is that insured and agent both get a better deal. It could be the means to selling the mass market, something that has not been done before. The companies are going through the trial and error period

on multiple line underwriting. They are beginning to get an understanding of the language differences between fire and casualty and to resolve them. Today home office executives have to know almost as much as agents do, he noted.

There was some discussion of high

limits in the current tight casualty market. Two recent Michigan cases were cited, in which awards of more than \$96,000 and more than \$86,000 had been granted by juries as a result of automobile accidents. Agents believe they must continue to think in terms of high lim-



J. Elliott Hannon, Mrs. Hannon, Paul R. Whitbeck and Mrs. Whitbeck, all of Cleveland, at White Sulphur casualty meeting.

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Personalities at zone 4 N.A.I.C. meeting at Milwaukee before the camera of Harry H. Fuller, midwest manager of National Bureau of Casualty Underwriters: Robert Rydman, H. & A. Underwriters Conference; E. J. Dirksen, assistant insurance director of Illinois; Sam Orebaugh, counsel for the Iowa department; Frank Callender, Iowa deputy; Robert Nelson and Howard Omsberg of National Automobile Underwriters Assn.; Dr. C. H. Graves of Mutual Insurance Advisory Assn. and Charles Richter, rate supervisor of Minnesota; J. Edward Day, Illinois insurance director and chairman of the zone, with J. Ed. Kennedy of the Wisconsin department, and H. E. Curry, actuary of State Farm Mutual Auto.

its to cover high verdicts. One agent said that he sold 100/200 limits to any one of means, but he does have a number of clients on the books whom he regards as adequately protected with 10/20.

Another agent said that his office had been selling higher property damage liability limits, \$25,000, and this has helped the agency experience. He estimates that 30% of his policyholders now have that much P.D.L.

Mr. Harrington noted that the market is still acute, in New York for example. There is some curiosity as to whether the market would ease after rate increases have been granted. It was pointed out that when the companies see black ink again the supply of insurance will be there. The granting of rate increases just begins the matter. It takes considerable time before increases begin to show up in the way of earned premiums.

H. F. Warner of Kansas City reported on the traffic observer system there were 200 civilians with no legal authority—note traffic violations and send in card reports. This has been a very effective program.

George W. Haerle of Minneapolis brought up the problem of securing coverage for common carrier railroads whose employees are under the wide open federal employers liability act. There are many fairly small railroads of this kind for which it is difficult to secure coverage. Agents are having to go abroad for insurance. They are having to take big deductibles. There have been fantastic verdicts in this field. There has been some discussion about working for a federal workmen's compensation act, but it is not known how successful this would be if tried since apparently the railway workers' union involved likes the present setup.

The banquet this year was a brilliant affair and for the first time the record crowd necessitated the use of rooms adjoining the auditorium in order to accommodate all of the guests.

Thomas W. Earls, Cincinnati, again won the first prize in the golf tourna-

ment. The team composed of H. G. Evans, president of American Casualty, and K. O. Saunders of Chicago won the horseshoe tournament. W. T. Harper, president of Maryland Casualty, and Wallace Clapp of Eastern Underwriter, were runners up.

Fidelity, Surety Losses Cause Use of Red Ink

(CONTINUED FROM PAGE 25)

and despite vigorous prosecution where such embezzlements occur.

A few losses seem to indicate that corporations, or at least their accounting officers, are examining more closely the expenditures of officers. One loss involved a very large, well known corporation. An executive had for a considerable time been using employees of the company, paid by the company, to do work on his own property and in his own behalf. While he also was making some direct embezzlements, a considerable portion of the more than \$100,000 loss arose from this misuse of company employees.

In another loss the embezzler followed a similar procedure to account for a portion of the more than \$125,000 claimed by insured. The company paid employees who were concerned with the executive's personal ventures, such as a newspaper, cafeteria, etc.

St. Louis Record Reviewed

The Oct. 4 issue of Colliers magazine contains an article describing the exceptionally high personal injury awards made by the St. Louis courts and the steps taken by the St. Louis Public Service Co. to remedy the situation. St. Louis Public Service Co. is the biggest single stockholder of Transit Casualty of St. Louis. The article notes that since 1945 the service company paid more than \$9 million in damage suits, 77% more than the average of eight other large cities, although only three of these cities have better accident records.

Hike Miss. O.L.&T. Rates

Revised B.I. liability rates for a large number of important owners', landlords' and tenants' classifications have been made in Mississippi by National Bureau of Casualty Underwriters.

The classifications affected are those rated on an area and frontage basis including stores, hotels, churches, hospitals, clubs, restaurants, apartments and tenements, boarding or rooming houses and mercantile and office buildings. The rates for all classifications affected by the revision are increased on an average of 33.3%. The rates for this type of business were last revised in 1951 in Mississippi.

Walter Hays' Message

The place to solve the highway accident problem is at the drivers' license bureau, according to Walter L. Hays, president of American Fire & Casualty, who addressed the annual luncheon of Florida Citizens Safety Council at Daytona Beach. The right to drive must be made to be a real privilege of which the motorist is ever mindful. There needs to be a rigid drivers' license law ably administered.

Capital Is Increased

Directors of Carolina Casualty Ins. have voted a 33 1/4% stock dividend payable to stockholders of record Oct. 3. It supplements a 6% stock dividend declared in April. This brings the capital to \$498,000.

O.K.'s Mutual Rate Hike

The Tennessee department has approved increases of 19.4% on auto B. I. and 3.4% on P. D. sought by Mutual Insurance Rating Bureau, in line with increases recently granted stock companies.

C.P.C.U. Certificates to 14

LOS ANGELES—Fourteen insurance men who successfully passed the C.P.C.U. examinations received their certificates from Dean Harry J. Loman of American Institute for Property & Liability Underwriters at a luncheon given by Pacific C.P.C.U. chapter. More than 700 attended the all-industry luncheon at which the presentation was made and at which Dr. Clark Kerr, chancellor of University of California, was the principal speaker.

Dr. Kerr talked on "Permanent Inflation—Can It Be Avoided?" He said there seems to be no great cause for alarm in the near future.

Wash. Co-op Loss \$300,000

Insurance loss of over \$300,000 was caused by a flash fire and explosion at the Washington Co-op's cold storage warehouse at Sunnyside, Wash. A \$600,000 builders risk completed value form was in effect. The building was 90% completed at the time of the loss.

The plant was to be used to process frozen turkeys, most of the turkey crop in the Sunnyside Valley having been contracted for.

Witnesses said that the explosion and fire were caused by gas from electrically heated tar pots used by Armstrong Corb Co., which was installing fibreglass insulation.

J. M. Roddy, General Adjustment Bureau, is on the loss.

Okla. A. & M. Insurance Club

Starting with 17 members, commerce students at Oklahoma A. & M. College have formed an insurance club, with Francis M. Freeman as adviser. The club expects to have addresses by insurance men that would aid in qualifying club members to pass the C.L.U. and C.P.C.U. examinations.

Earthquake Talks at Forum

Tom B. Stewart, Jr., General Adjustment Bureau, San Francisco, will give his answer to the question, "Is Earthquake Insurance Doing the Job It Is Intended to Do?" at Insurance Forum of San Francisco Oct. 29. There will also be a technical discussion of the question by Harold Engle, Pacific Fire Rating Bureau expert. Mr. Engle, who has been completing a study of the effects of the recent earthquakes on structures, will analyze the earthquake hazard and protective measures from the underwriter's standpoint.

John Fish of Fish & Schulkamp, Madison, Wis., agency, was in charge of the annual meeting of the National "W" Club of University of Wisconsin at which he completed his term of office as president.

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Dorsett Urges "Fair Rates" for Casualty

(CONTINUED FROM PAGE 25)

Mr. Dorsett said the supposition might be that there would be no question about the companies being granted the rates "they need to earn at least a small profit." On the whole, he observed, the state supervisory authorities are inclined to grant some increases; not as much as the companies have requested, but at least enough to improve the situation. But the very groups that have benefited most from the companies' accomplishments in the field of workmen's compensation insurance are protesting energetically in some of the states. One of them is Minnesota.

Reviewing the history of the automobile liability situation, Mr. Dorsett pointed out that since 1939 the consumer price index has increased approximately 89% while in the same period, hospital expenses have soared 135%, automobile repair costs 134%, and the price of new automobiles 136%. The cost of settling claims resulting from motor vehicle accidents has increased 150% for P.D.L. and 70% for B.I. In the same period, rates for automobile liability insurance have increased an average of 35%. Everything that affects the price of automobile liability insurance has increased considerably more than the price of insurance.

Compares Other Products

"Now let us make a few quick comparisons with some other products. The average retail price of food products rose 142%, while individual items in the market basket, like fish, beef and veal, went up 241 and 207% respectively. But perhaps you would like to get a bit closer home, and see what has happened to the price of flour, which is quite close to the heart of Minneapolis and Minnesota. The price of flour has increased from 3.8 cents to 10.5 cents per pound, or 176%.

"I have been discussing plain dollars and sense with you," Mr. Dorsett stated. "There is nothing more fundamental about economics than this: If you pay out more dollars than you take in, bankruptcy is only a matter of time. It is equally fundamental that a soundly operated business is entitled to a fair profit. I do not suggest that the insurance companies are on the verge of bankruptcy; they are not. I have said, and do say, that they have operated their business soundly, have operated in the public interest, have not and do not now request rate levels that are out of line with other profits, are excessive, or are beyond the capacity of the consumer to pay. They have earned the right to a fair price and a fair profit."

Inexhaustible Well of Dollars

There is a strange belief abroad that somehow and somewhere insurance companies have miraculously tapped an inexhaustible well from which dollars flow in endless supply and that, therefore, an insurance company is fair game whenever the opportunity is presented to hand out an economic shellacking, the speaker continued. If they ask for a fair price, even though it is far below the level of averages, there are organized protests. Yet, at the other extreme, when it comes to presenting a claim, there seems to be an idea that is time to cut a juicy melon and give everybody a choice slice. Most astounding of all, these thoroughly uneconomic opinions seem to be held by some business and industrial organizations that can and should know better.

"What are the facts about profits from the sale of casualty insurance?" he asked. "Let us look at the underwriting profits for the 20-year-period from 1931 to 1950. The underwriting profit on all lines written by member companies of National Bureau of Casualty Underwriters over those 20 years average 0.7%. I wish everyone in the United States knew that; if they did, our rating problems would be about over. What is more, that little 0.7% profit was before paying federal income taxes.

"Contrast that margin of profit with the profits of other industries and business enterprises, and let it be thoroughly understood that I imply not the slightest criticism of the instances I am about to name. In 1950, the profit on sales of all industries averaged 13.9%. The profit on sales of chemical products was 21.5% and the cement industry showed a margin of 28.4%. Petroleum products showed a profit of 20% on sales, while lumber, pulp paper and mining showed 18%. The automobile industry's profit on sales was 16%. Again getting back to Minneapolis and Minnesota, the flour industry brought in a profit of 13.4%, according to the Federal Reserve Bulletin. And you will find much the same scale for individual business and industry generally, from manufacturing to amusements."

Rests on the Record

Mr. Dorsett said he is content to rest on the record, asking only that those who judge insurance shall ask themselves these questions before they oppose just rates for their insurance:

"With respect to automobile liability insurance: Have I done my full part toward reducing accidents in my community, by driving safely obeying the traffic laws, and demanding strict enforcement of those laws against everyone, including myself? Have my claims been morally and legally honest? Have I stood firmly for fair jury awards in accident claim cases, but have stood as firmly against excessive awards in such cases? In short, remembering that I and my neighbors largely make our own insurance rates, have I done all that I



E. J. Seymour, vice-president of N.A.I.A., Mortimer Sprague and John Love of Home caught at the Greenbrier casualty gathering.

can and should do to bring them in line with lower rated communities?

"With respect to workmen's compensation insurance: Do I maintain a safe plant and insist that the rules of safety shall be followed? Are the insurance companies subject to the same pressures of inflation as my business? Are insurance company prices and sales profits in line with my own, considering current conditions, not the conditions of 10 or 19 years ago? Have I opposed socialization of the insurance industry as forthrightly as I would oppose socialization of my own business, remem-

bering that when socialism gets its foot in the door of one important branch of the free enterprise system it will soon be inside the door altogether?"

Auto Adjusters Elect

Lloyd A. Barrett, Aetna Fire, will be installed a president of Automobile General Adjusters Assn. of San Francisco at the banquet Oct. 17. T. E. Atchison, St. Paul F. & M., is the new vice-president and David G. Pace, Glens Falls, secretary.



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Mutual of Omaha . . . the largest exclusive health and accident company in the world . . . has 43 years of specialized experience in the field. It has paid more than \$424,000,000 in benefits. More than 2,000,000 policyowners are now protected with Mutual of Omaha.

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Group. You'll soon see the reasons why Mutual of Omaha is known for its fast, efficient, personal claim service.

SERVICE KEYED TO THE BROKER

Mutual of Omaha's Group Division works with and through brokers. Your wishes determine the extent of service provided by salaried field representatives. Full commission is paid to the agent or broker of record. Continuous renewals.

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Mutual of Omaha writes economical group coverage for employees and for their dependents. All coverage is planned for current increased costs of sickness, accident and hospitalization. Plans cover health and accident; hospital, surgical, medical, hospital incidental expenses; accidental death and dismemberment; poliomyelitis; and other associated coverages.

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DO YOUR PART FOR YOUR LOCAL, STATE AND
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BATTLE CREEK, MICHIGAN

INSURANCE NEWS BY SECTIONS

EASTERN STATES ACTIVITIES

N.J. Fires Will Cost \$675,000

The Leikowitz & Co. plant at New Brunswick, N. J. was badly damaged by fire and the insurance loss may run almost \$300,000. The company manufactures, processes and wholesales leather. The fire started in the finishing room on the fifth floor, and more than 100 sprinklers let go. There will be some salvage. The loss is estimated at \$50,000 on the building, from \$150,000 to \$250,000 on the stock, and possibly \$40,000 U. & O.

Two lumber yard fires in the Newark metropolitan area will result in a total insurance loss of about \$375,000. One was the Heidritter Lumber Co. at Elizabeth, \$175,000, with several exposure losses not included in that total, and Solendz Bros. Lumber Co. at Irvington, \$200,000. In the latter fire, apparently the blaze originated in a junk yard next door.

Catastrophe Loss Committee Is Set Up in Rhode Island

PROVIDENCE—A committee to supervise handling catastrophe losses was organized at a meeting in the offices of Rhode Island Assn. of Insurance Agents. Attending were two members from each of the following organizations, who will constitute the committee:

Rhode Island Assn. of Insurance Agents, Rhode Island Insurance Field Men's Assn., Insurance Assn. of Providence, General Adjustment Bureau, Independent Adjusters Assn., New England Fire Insurance Rating Assn., Rhode Island Assn. of Insurance Women, and Mutual Fire Insurance Assn. of New England.

Timothy E. Hopkins, state agent of Equitable Fire & Marine, representing the field men, was elected chairman; R. O. Walther, special agent of National Fire, vice-chairman, and George C. Hughes, executive secretary of the agents association, secretary.

Chairman Hopkins appointed subcommittees on advance publicity, preparation of price lists, zoning the state for handling adjustments, to survey catastrophe areas immediately and report to a central location the extent of destruction, and to set up advance plans for office space, emergency help and services, and shelter for adjusters in the event of a catastrophe.

U. & O. Forum Sold Out

All tickets for the business interruption and time element forum, sponsored by New Jersey Special Agents Assn., to be held in Newark, Oct. 21, have been sold. More than 600 will attend. Many requests for reservations have had to be turned down.

Harrisburg Agents Elect

Harrisburg (Pa.) Assn. of Insurance Agents has elected Marlin B. Rochman president to succeed Jack V. Alander. Albert L. Allen, Jr., is vice-president, and Harry J. Finerfrock, secretary-treasurer.

Elect Henry at Waterbury

Hugh Henry has been elected president of Waterbury (Conn.) Assn. of Insurance Agents, succeeding George A. Haynor. The new vice-president is R. M. Griswold, and Lester A. Atwood is secretary.

Hitchcock Up for Reelection

Insurance Brokers Assn. of Massachusetts has slated Fred H. Hitchcock,

Waltham, for a second term as president. Other nominees for the election meeting at Boston Oct. 28 are: Vice-presidents, Merlin J. Ladd, Herbert L. Gove, and Lawrence B. Damon; treasurer, Charles H. Weeber.

Rein Is Camden President

Camden County (N.J.) Insurance Agents Assn. has elected Frederick E. Rein president to succeed W. Cecil Evans. Earl T. Jackson, Jr., is 1st vice-president; William A. Enright, Jr., 2d vice-president; Vinal A. Johnson, treasurer, and Miss Beatrice D. Chew, secretary.

MIDDLE WEST

Cincinnati Teachers to See New W.U.A. Film

CINCINNATI—The new sound film of Western Underwriters Assn., "I Take Risks," will be shown by Cincinnati Fire Underwriters Assn. as part of its program for Business-Industry-Education Day here Oct. 22. Following last year's pattern, the Cincinnati board will entertain 22 high school teachers with a bus trip to Cincinnati Salvage Corps and several places of interest in the fire department. The film will be shown at luncheon at the Netherland Plaza Hotel and there will also be a panel discussion on insurance matters by members of the governing committee, assisted by rating bureau, adjustment, local insurance company and insurance press representatives.

Chief B. J. Houston of the Cincinnati fire department, Lt. Joseph Devine, chief of the fire prevention bureau, and Chris Williams, business manager of the salvage corps, will participate in the tour.

J. A. Lloyd, former Ohio insurance superintendent and now vice-president of Union Central Life, who is president of Cincinnati Chamber of Commerce, which sponsors this annual program, will take part in a television panel discussion over station WLWT, which will open the day's program at 9:15 a.m. There are 83 business firms and organizations participating and it is expected that 1,700 public and parochial high school teachers and administrators will take part.

Landen Opens Own Office

Robert S. Landen, who recently resigned as inland marine supervisor at Columbus, O., of Western Adjustment, has opened an independent adjustment company there at 83 South High street. It will handle fire and allied lines, including auto, inland marine and aircraft.

Mr. Landen attended Northwestern University and joined Western at Chicago in 1932. He was transferred to Columbus in 1937.

Observes 50th Anniversary

Charles F. Freiberg, Fond du Lac, Wis., local agent, observed the 50th anniversary of establishing his agency, now operated by his son, Arthur G. Freiberg, who became associated with it 15 years ago. Mr. Freiberg, now 76, started at the age of 14 in the old C. L. Handt agency and opened his own agency in 1902. He no longer takes an active part in the business.

New Agency at Akron

The Seibert-Keck agency has been organized at Akron, O., and will be general agent for Manufacturers Casu-

alty, Massachusetts Bonding, Merchants Indemnity, Midwestern Indemnity and Seaboard Surety Co.

T. J. Seibert is president and treasurer; George W. Keck, Andrew Macconachy and Richard W. Ashbridge, vice-presidents, and Mary G. Chermonte, secretary. Mr. Seibert has been operating his own agency and his associates have all had wide experience with other agencies there.

IN THE SOUTHERN STATES

Southern 1752 Club Holds Clinics for Virginia Agents

Southern 1752 Club conducted clinics for Virginia mutual agents at Roanoke and Richmond, both well attended.

Principal speakers at each clinic were George A. Peery, deputy insurance commissioner; L. O. Freeman, Jr., manager Virginia Insurance Rating Bureau, and John R. Chappell, Jr., local agent of Richmond.

Mr. Peery discussed the recodification of the insurance laws of Virginia. He outlined the main changes and their effects on local agents, and explained the new unfair trade practices section of the law.

Mr. Freeman discussed the operations and functions of the rating bureau, characterizing it as the "umpire" responsible for seeing that the rules are followed by all parties and the state corporation commission as the "judge" that inflicts the penalties for violations of the rules.

Mr. Chappell discussed the National Assn. of Mutual Insurance Agents accounting and procedures control, based on the system used in his agency.

The clinics concluded with questions from agents, answered by panels from the 1752 Club.

Plan School at U. of Okla.

Oklahoma Assn. of Insurance Agents will sponsor a three-day school at University of Oklahoma, Norman, Nov. 5-7. Principal subjects taken up will be workmen's compensation, Foster P. Boggs, instructor; automobile coverages, Walter L. Lake; burglary, plate glass and A. & H., Gerald Bradshaw. J. J. Quinn of Bartlesville will be dean of the school.

New Jacksonville Agency

Edward C. Holmes, Inc., is a new agency just opened at Jacksonville, Fla. Mr. Holmes is president; Thomas K. Duckwall, vice-president, and Bernice J. Holmes, secretary-treasurer. Mr. and Mrs. Holmes have been for five years with the Perry R. Marsh agency, of which he was vice-president and a director. Before going to Florida he was with the Harris Trust & Savings Bank of Chicago.

Okla. City Agents Elect

Elwen H. Boese has been elected president of Oklahoma City Assn. of Insurance Agents to succeed Ralph R. Carlin, who becomes a member of the executive committee. William McWilliams is vice-president and Leland Booth, secretary.

New Abilene, Tex., Officers

Robert B. Wylie of the Emmette Chandler agency has been elected president of Abilene (Tex.) Insurance Exchange. Thomas Brownlee is vice-president and Robert R. Howerton, secretary.

Ragon Renews Candidacy

Following the death of the man who defeated him, J. B. Ragon, Jr., Chatta-

Fire Chiefs Wichita Guests

Wichita Assn. of Insurance Agents held a "fire chiefs' luncheon" for 10 chiefs from the Wichita area, including the air force base and three aircraft plants. Bland Warren of W. G. Matchette & Co. was program chairman. President Paul Yankey, Jr., reported on the Cleveland N.A.I.A. convention at a closed meeting which followed

nooga local agent, who had served three terms in the Tennessee senate, but lost out in the Democratic primary, has announced his candidacy as an independent and is considered almost certain to be elected. He had served as chairman of the insurance committee and is highly regarded by insurance interests.

Edward H. Crump, Memphis local agent and Tennessee political leader, who has just observed his 78th birthday, will have been in local, state and national politics for 50 years Oct. 21.

COAST

Exhibit on Home Fire Prevention Big Success

An experiment in publicity and public relations in the form of a display at the Western Home & Living Exposition at San Francisco has been declared a marked success by the sponsors.

Arranged through the joint cooperation of Pacific Board, Insurance Brokers Exchange of California, Society of Insurance Brokers and Northern California Fire Underwriters Assn., the display centered around fires and fire prevention in the home and the public loss prevention services provided by stock fire companies.

Featured by five large panels, colored and illustrated by raised cartoons of "gremlins" the display had three panels on "the home fires that keep burning" and two on "the fires that never happen"—the latter showing the prevention activities of Pacific Board and the value of Underwriters Laboratories.

The display was "serviced" daily by representatives of the sponsoring groups.

Hear Ben D. Cooke at L. A.

LOS ANGELES—Southern California chapter of Insurance Buyers of America at a meeting Oct. 22 will hear Ben D. Cooke, partner in Ben D. Cooke, Ltd., London insurance firm, discuss "World Wide Problems Facing Reinsurance."

B. D. Cooke, Ltd., is managing director of Agency Managers, Inc., of New York and of two casualty reinsurance companies in New York. On a world-wide basis, it represents four English companies: Dominion, London & Edinburgh, Anglo-Saxon and Vanguard.

Elect in Cowlitz County

Cowlitz County (Wash.) Assn. of Insurance Agents has elected Jack Nielsen of Longview as president. Calvin D. Winne is vice-president; L. H. McFadgen, secretary-treasurer.

State convention reports were given by H. H. Martin, Joe Rosenzweig and Mr. McFadgen, who is state fire prevention chairman.

Open New Coast Quarters

National Fire and allied companies are opening their new and enlarged Pacific department headquarters at 350 Sansome street, San Francisco, Oct. 16, with an "open-house" reception.

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FIRE · MARINE · CASUALTY · SURETY

Loyalty Group
I N S U R A N C E

FINANCIAL STATEMENTS DECEMBER 31, 1951

VALUATIONS ON BASIS APPROVED BY NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

Companies	Capital	Total Admitted Assets	Liabilities (except capital)	Surplus to Policyholders
Firemen's Insurance Company of Newark, N. J. <small>Organized 1855</small>	\$12,275,000.	\$108,470,990.	\$61,257,086.	\$47,213,904.
Girard Insurance Company of Philadelphia, Pa. <small>Organized 1853</small>	1,000,000.	10,711,510.	6,979,138.	3,732,372.
National-Ben Franklin Insurance Co. of Pitts., Pa. <small>Organized 1866</small>	1,000,000.	10,476,694.	6,617,586.	3,859,108.
Milwaukee Insurance Company of Milwaukee, Wis. <small>Organized 1852</small>	2,000,000.	28,159,650.	17,868,349.	10,291,301.
The Metropolitan Casualty Insurance Co. of N. Y. <small>Organized 1874</small>	1,500,000.	36,291,676.	27,904,445.	8,387,231.
Commercial Insurance Company of Newark, N. J. <small>Organized 1909</small>	2,000,000.	42,686,336.	33,078,793.	9,607,543.
Royal General Insurance Company of Canada <small>Organized 1906</small>	100,000.	433,385.	6,568.	426,817.

Pittsburgh Underwriters - Keystone Underwriters

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Newark 1, New Jersey

WESTERN DEPARTMENT
120 So. LaSalle Street
Chicago 3, Illinois

SOUTHWESTERN DEPARTMENT
912 Commerce Street
Dallas 2, Texas



CANADIAN DEPARTMENTS
800 Bay St., Toronto 2, Ontario
535 Homer St., Vancouver 3, B. C.

PACIFIC DEPARTMENT
220 Bush Street
San Francisco 6, Calif.

FOREIGN DEPARTMENTS
102 Maiden Lane
New York 5, New York
206 Sansome Street
San Francisco 4, Calif.

Your Insurance Agent —
The **Man of Many Interests**

A VERSATILE MAN, your Home Insurance agent. He knows insurance, sure—that's his life's work. But you may find that he's also a prime mover in many important community activities. It's his nature to work with and for people. As a good insurance man, naturally he has a keen sense of responsibility, gets satisfaction from doing things for people. In short—he's your good neighbor.



An Independent Businessman, your property insurance agent has invested his money as well as his efforts in your community. He knows the problems of both businessman and homeowner and you can depend on this—he's loyal to you and your town.



A Real Safety Salesman, your insurance agent is interested in preventing trouble for you and your neighbors. That's why so many Home agents are leaders in worthy community projects—that pay off in peace.

Like a Doctor, your insurance man has a 24 hour a day job.



This Could Be Your Ad

The advertisement above . . . one of a continuing series . . . tells the story of a man—a typical insurance agent. It will be seen by more than 19 million readers of national magazines.

The story it tells is important to the Home agent. It represents him in a new and significant light to the people he serves—establishes his important place in his community. It's designed to help you sell by selling you to your customers and prospects.

THIS ADVERTISEMENT
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NOV 19



NOV 28



NOV 24



NOV 15

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